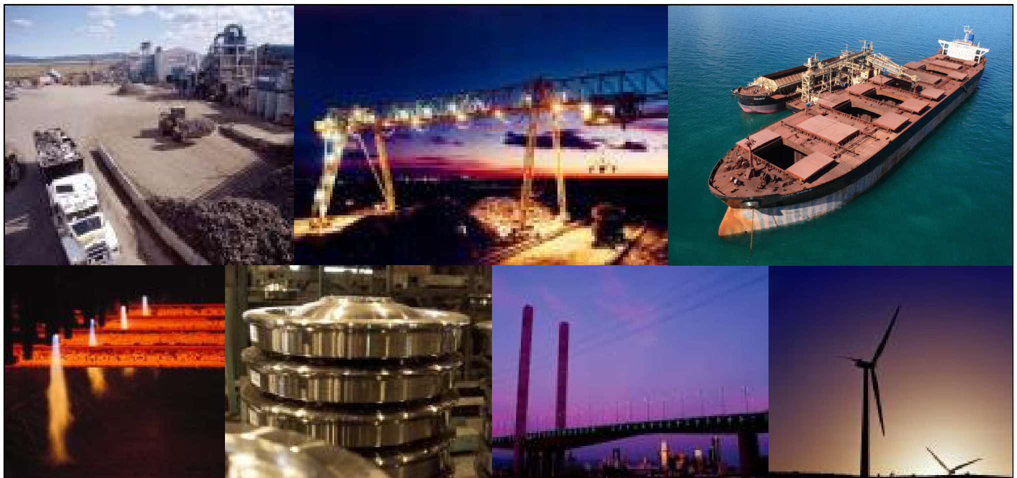

Interim Results Presentation
19 February 2008

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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 first half of the 2008 financial year.
I will start the presentation with an overview of the highlights of the results and then talk about the market conditions during the period. Tony Reeves, OneSteel's Chief Financial Officer, will run through the financial highlights and the results of OneSteel's four business segments.
After Tony's section I will update you 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.
There will be some time for questions at the end of the presentation.

Results Overview

- Interim net operating profit after tax excluding restructuring costs and impairment of plant and equipment up 6.3%
  - Net statutory profit after tax reflects restructuring costs and impairment of plant and equipment incurred largely ahead of receiving the associated synergy benefits from the Smorgon Steel integration
- Good progress on Project Magnet
  - External sales of iron ore of almost 1.9 million tonnes
  - Transition of Whyalla Steelworks to magnetite ore feed
- Completion of Smorgon Steel merger
  - Acceleration of net synergies from merger
- Operating cashflow of $146.3 million
- Gearing remains within target range after the acquisition of the Smorgon Steel businesses
- Interim dividend of 8.0 cents

In terms of the results overview, key points include:

•The 6.3% increase in the interim net operating profit after tax excluding restructuring costs and impairment of plant and equipment associated with the Smorgon Steel integration.

•The net statutory profit after tax of $74.6 million reflects $29.8 million of restructuring costs and impairment of plant and equipment incurred largely ahead of receiving the associated synergy benefits from the Smorgon Steel integration

•Good progress on Project Magnet, including the transition of the Whyalla Steelworks to magnetite ore feed, was another highlight of the period. External sales of iron ore reached almost 1.9 million tonnes

•Another very pleasing outcome was the acceleration of net synergies from the merger with our running rate ahead of plan

•Financial highlights include the operating cashflow of $146.3 million and the fact that gearing remains within our target range after the acquisition of the Smorgon Steel businesses.

•Finally I am pleased to advise that the Board declared an interim dividend of 8.0 cents.

H108 Highlights

- Good Progress on Integration of the Smorgon Steel Businesses
  - Current estimate for synergy benefits in year 1 is $41 million, above the targeted first full year benefit of $25 million
  - Estimated cost of attaining the benefits is also higher at $82 million against a first full year target of $35 million
  - Strong focus on customer retention during the integration process has so far been rewarded with good levels of customer support and minimal loss of sales
- Project Magnet Continues to Achieve Major Milestones
  - Transition of the pellet plant to magnetite ore feed successfully undertaken in December
  - Blast furnace cutover to magnetite-based pellets effectively complete
  - External iron ore sales of almost 1.9 million tonnes in the six months
  - Will achieve the targeted 4 million tonnes of external iron ore sales in FY08

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I was particularly pleased with the progress we made on our two major growth initiatives.

Turning first to the Smorgon Steel integration.

•The current estimate of synergy benefits in year 1 is $41 million, above the targeted first full year benefit of $25 million.

•The estimated cost of attaining the benefits is also higher at $82 million against a first full year target of $35 million.

•Management's strong focus on customer retention during the integration process has so far been rewarded with good levels of customer support and minimal sales loss.

We continue to achieve major milestones on our other major growth initiative, Project Magnet.

The transition of the pellet plant to magnetite ore feed was successfully undertaken in December.

The cutover of the blast furnace to magnetite-based pellets is now effectively complete.

In the six months, we made external iron ore sales of almost 1.9 million tonnes. We will achieve the targeted 4 million tonnes of external iron ore sales in FY08.

Overview - Financial

- The financial numbers are presented on a statutory basis
  - December 2006 financials are for the OneSteel pre-existing businesses
  - December 2007 financials include the contribution of the acquired Smorgon Steel businesses from 20 August 2007
  - As at 31 December, process of allocating the cost of the Smorgon Steel acquisition to the assets, liabilities and contingent liabilities is still underway

	Millions	chg vs Dec 06	Comment
Sales revenue	$3,218.3	Up 50.8%	Reflects the contribution of the acquired Smorgon Steel business from 20 August 2007
EBITDA	$288.4	Up 32.3%	Excludes restructuring costs and impairment of plant and equipment associated with the integration of Smorgon Steel. In line with company expectations
Depreciation and amortisation	$70.4	Up 46.4%	Reflects the acquisition of the Smorgon Steel businesses at historic depreciation rates
Interest (net of amounts capitalised to Project Magnet)	$67.0	Up 154.8%	Due to higher debt levels associated with the acquisition of the Smorgon Steel businesses and higher interest rates
NPAT (excludes restructuring costs and impairment of plant and equipment associated with the Smorgon Steel integration)	$104.4	Up 6.3%	
Statutory net profit after tax	$74.6		
Operating cashflow	$146.3	Up 61.1%	Reflects expanded scope of business
Net debt (including derivatives)	$2,069.4	Up 157.4%	Reflects debt associated with the acquisition of the Smorgon Steel businesses
Gearing ratio (net debt to net debt plus equity) including derivatives	37.8%	Was 33.9%	Remains within target range after the acquisition of the Smorgon Steel businesses
Interim dividend (cents)	8.0 cents	Unchanged	

Before looking at the financials, as most of you will be aware, this is the first reporting period that includes a contribution from the Smorgon Steel businesses that we acquired on 20 August 2007. The financials are presented on a statutory basis therefore the December 2007 results include slightly over four months contribution from the acquired businesses. As at 31 December 2007 the process of allocating the cost of the Smorgon Steel acquisition to the assets, liabilities and contingent liabilities is still underway.

Sales revenue rose 50.8% to $3,218.3 million, reflecting the contribution from the acquired Smorgon Steel businesses. EBITDA, before restructuring costs and impairment of plant and equipment associated with the Smorgon Steel integration, was up 32.3% to $288.4 million.

The acquisition of the businesses at historic depreciation rates also lifted depreciation and amortisation by 46.4% to $48.1 million, while interest, net of amounts capitalised to Project Magnet, was $67 million, an increase of 154.8%, due to higher debt levels associated with the acquisition of the Smorgon Steel businesses and higher interest rates.

Net operating profit after tax and before restructuring costs and impairment of plant and equipment was $105.6 million, a rise of 7.5%, while the statutory net profit after tax and restructuring costs was $74.6 million.

There was a continued focus on cashflow and operating cashflow increased 61.1% to $146.3 million.

Net debt, including derivatives, rose to $2,069.4 million. The 157.4% increase is due to the debt associated with the acquisition. Nevertheless, OneSteel's gearing ratio, as measured by net debt to net debt plus equity, including derivatives, remains within our target range at 37.8 percent.

The interim dividend of 8.0 cents is unchanged from the prior corresponding period.

Overview - Operational

- Business Performance
  - Sales margin decreased to 6.8% from 8.0%
- Record steel production rates at Laverton and Sydney electric arc furnaces
  - Total raw steel production of 1,357,847 tonnes
- Iron Ore Shipments of almost 1.9 million tonnes in the six months
- Recycled Metals sales of 691,018 tonnes
- Business Improvements in the pre-existing businesses
  - Cost reductions of ~$37 million
  - Revenue enhancements of ~$12 million
  - Cost increases – raw materials and inflationary – of $61 million
- Strategic Initiatives
  - Customer & Market Insight – work in this area has focused on customer retention issues
  - Supply Chain Transformation – the focus has been on aligning and integrating the Sales and Operations Planning processes of the merged businesses
  - Operational Excellence – including roll out of LEAN, Six Sigma, Maintenance Reliability
- In the six months to December 2007, activity was up an estimated 2.0% in the market segments that drive the Australian steel sales revenue of the combined businesses
- Safety Performance of the pre-existing businesses (2007 calendar year versus 2006 calendar year)
  - Medical Treatment Injury Frequency Rate fell 24.5% from 9.8 to 7.4
  - Lost Time Injury Frequency Rate rose 22.2% from 0.9 to 1.1
  - Two workplace fatalities through separate work-related accidents

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Slide 6

Turning to the operational performance during the period, the sales margin decreased from 8.0% to 6.8%. I will explain the factors driving that when I discuss the market conditions.

There was record combined steel production rates at the Laverton and Sydney electric arc furnaces.

As I mentioned, iron ore shipments ramped up to almost 1.9 million tonnes in the six months while the Recycling business sold 691,018 tonnes of ferrous and non-ferrous scrap.

OneSteel has continued to focus on cost reductions to recover inflationary costs and revenue enhancements to pass through major input cost increases. In the six months to December 2007 the pre-existing businesses achieved cost reductions of $37 million to offset inflationary costs. However due to the competitive environment that I will talk about later the $12 million of revenue enhancements that we achieved were not sufficient to fully offset all the input cost increases. In total inflationary costs and price increases for raw material inputs came to $61 million.

We continue to work on our three strategic initiatives of operational excellence, supply chain transformation and customer and market insight.

Activity in the market segments that drive OneSteel's Australian steel sales revenue was up an estimated 2.0% from the prior corresponding period.

The pre-existing businesses also improved safety performance as measured by the Medical Treatment Injury Frequency Rate which fell 24% from 9.8 to 7.4. While the Lost Time Injury Frequency Rate rose 22% from 0.9 to 1.1 it continues to run at very low levels. It saddens me to report that there were two fatalities through separate work-related accidents during the six months.

Key Drivers Dec 2007 versus Dec 2006

EBITDA Variance

- Period-on-period comparisons are not meaningful due to changed nature of the business.
- However, key drivers of financial outcomes during the period include:
- This period includes contribution of acquired businesses from 20 August 2007, therefore result excludes contribution from this typically strong period 1/7 to 19/8
- Significant benefits from uplift in iron ore prices and volumes
- Increased costs associated with delays in Project Magnet commissioning
- Impact from delays in price increases to recover increased operating costs – electricity, freight, scrap, zinc and alloys
- Increased imports, volatility in commodity costs and rapidly appreciating exchange rate adversely affected prices and margins, particularly in Distribution and Recycling

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We usually show a waterfall chart to explain the drivers of the change in EBITDA from the prior corresponding period but half-on-half comparisons are not meaningful due to the changed nature of the business.
However, key drivers of financial outcomes during the period include:
This period includes the contribution of acquired businesses from 20 August 2007 only. The typically strong trading period 1 July to 19 August is not included.
Significant benefits from uplift in iron ore prices and volumes however some of these benefits have been offset by increased costs associated with delays in transitioning the Whyalla Steelworks to magnetite ore feed. The Distribution and Recycling businesses in particular had reduced margins and profits as a result of an increase in imports, volatility in commodity costs and a rapidly appreciating exchange rate.

Market Conditions

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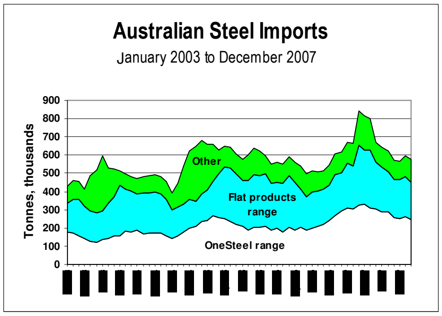
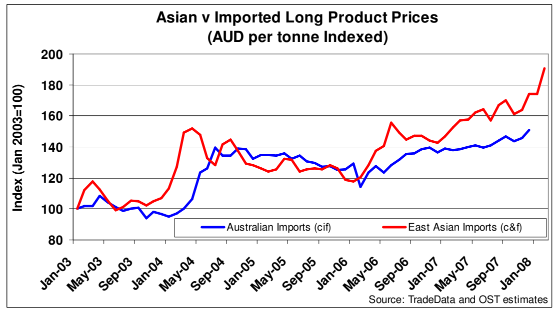
This leads me to the market conditions that prevailed during the six-months under review.

Trading Conditions





Source: ABS data and OneSteel estimates, 3-month moving average.

Strong increase in imports in the 2007 calendar year. These imports were still washing through the domestic market in the six months to December 2007

Prices of import product lagging international pricing levels due to exchange rate and other factors

I talked to this slide at the AGM and have updated it for this presentation. The graph on the left shows the strong increase in imports in 2007 calendar year. These imports were still washing through the domestic market in the six months to December 2007. Another feature of the period was the lag in import prices following international steel prices higher as shown on the second graph. The currency appreciated by almost 20% against the US dollar from the December 2006 half.

Trading Conditions

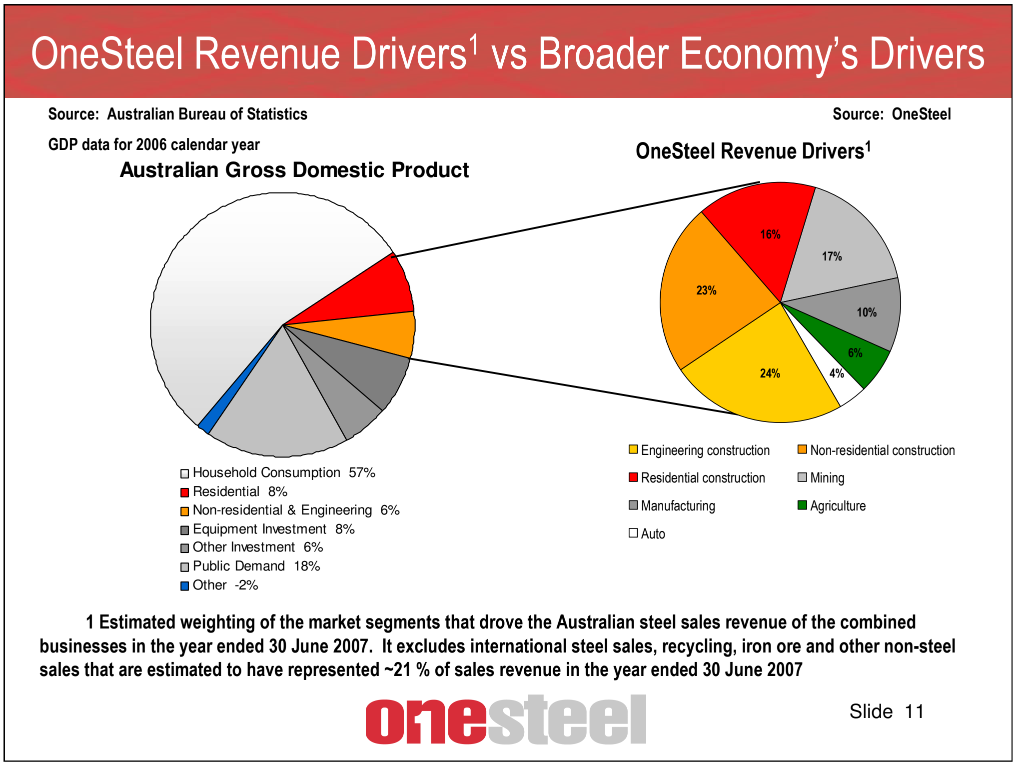
Trading conditions dominated by

- **High level of imports**
  - **Rapidly increasing currency**
  - **Speculative buying of imports ahead of merger**
  - **Speculative buying of imports ahead of Chinese tax changes**
  - **Significant over-stocking**
- **Price suppression**
  - **Focus on customer retention**
  - **Delays in increased raw material costs flowing through to import prices**
  - **Rapidly increasing currency**

So during the period trading conditions were impacted by a high level of imports. This was due to a rapidly increasing currency, speculative importing ahead of the Smorgon Steel merger and ahead of Chinese tax changes and significant over-stocking.

The other factor impacting trading conditions was price suppression due to very strong competition for sales against imports where our focus was on customer retention following the merger. This was exacerbated by delays in increased raw material costs flowing through to import prices. Again, the rapidly increasing currency was a factor here.

Movements in commodity prices and the rapid appreciation of the Australian dollar adversely affected the margins and returns of the Recycling business.



We acquired the Smorgon Steel businesses on 20 August and we have now re-estimated the weightings of market segments that drive the Australian steel sales revenue of the combined business. Of the estimated 79% of sales revenue driven by Australian steel sales, engineering and non-residential construction drive 24% (was 24%) and 23% (was 24%), respectively, while residential construction drives 16% (was 15%) of that revenue. The combined business has a 17% (was 12%) exposure to the mining sector. Weightings to the manufacturing, agriculture and automotive segments are estimated to be 10% (was 13%), 6% (was 6%) and 4% (was 6%), respectively.

We estimate that international steel sales, recycling, iron ore and other non-steel sales accounted for 21% of sales revenue in the last financial year.

OneSteel's Key Australian Steel Sales Revenue Segments[1]

[1] Estimated market segment weightings of the merged businesses in 2006/07 financial year		
	Weighting[1]	% chg 6m to Dec 07 vs 6m to Dec 06
Residential construction	16	0.7%
Non-residential construction	23	-1.0%
Engineering construction	24	5.7%
Mining	17	5.0%
Manufacturing	10	-0.4%
Agriculture	6	0.3%
Automotive	4	-0.7%
Weighted average	100	2.0%

Source: NIEIR, OneSteel

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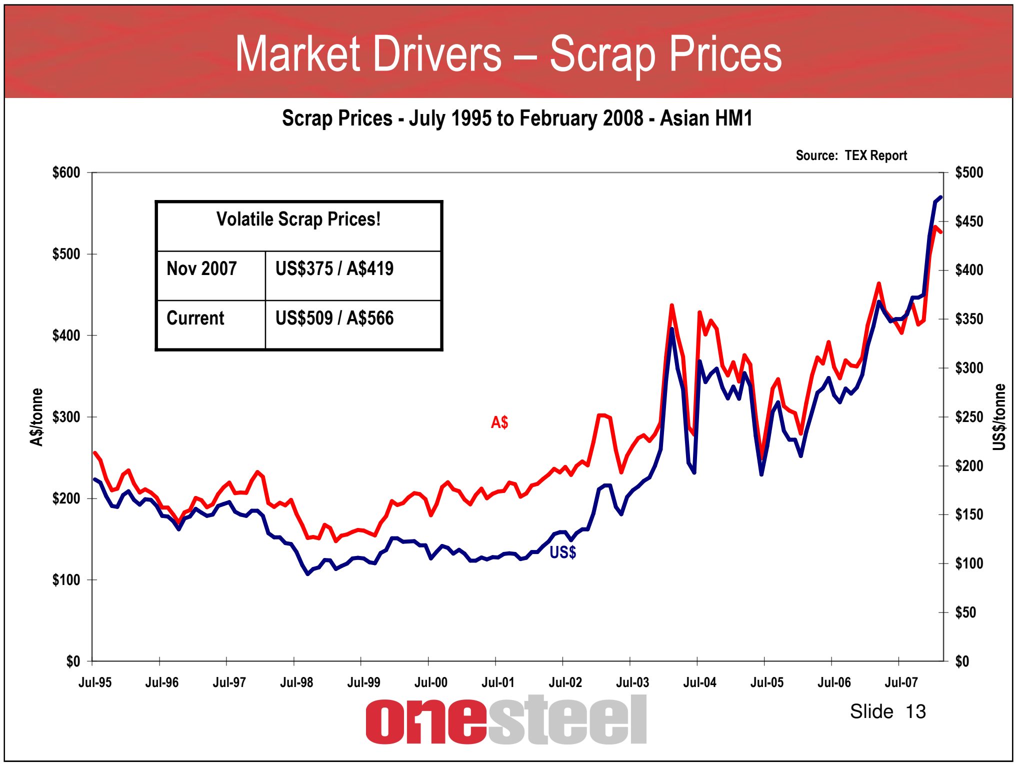
Slide 12

In the six months to December 2007, activity in the market underlying OneSteel's Australian steel sales revenue was up 2% from the activity levels in the six months to December 2006. The key drivers of OneSteel's domestic steel activity, engineering and non-residential construction, are expected to continue at strong levels, and residential construction is expected to be relatively soft and no recovery is expected for the balance of this year. OneSteel's exposure to the mining segment has increased following the merger with Smorgon Steel and the outlook for this segment continues to be positive.

[1] Excludes international steel sales, recycling, iron ore and other non-steel sales that represented an estimated ~21% of the combined businesses' sales revenue in the 2007 financial year



I mentioned earlier that raw material input costs rose during the period. This is clear from the graph of benchmark scrap prices on this slide. Scrap prices have had a very dramatic and rapid lift, increasing by well over US$100 per tonne in the last two months. Most recent prices have been at a new high of over US$500 per tonne.

Changing Environment – Price Increases

OneSteel has been reviewing prices in light of the dramatic changes in environment. Some examples of recent price movements include:

- Rebar and Reomesh 6% : Dec 2007, ~16% February 2008
- HR & Welded Structurals 12.5% : 30 January 2008
- Plate 10% : January 2008
- Merchant Bar 10% : January 2008
- Pipe/RHS 5% : December 2007
- Sheet & Coil 3% to 5% : January 2008
- Rural (average) ~5%% : August/December 2007, ~7% : February 2008

To recover the higher costs of inputs such as scrap, zinc and alloys we have been progressively reviewing pricing and have recently implemented price increases for key products. In some instances, for example in the reinforcing area, we have had to increase prices twice within a short time in response to the dramatic increase in costs, particularly of scrap. In other products we are reviewing our cost and competitive position and further increases are likely to be necessary if the current environment continues.

Review of Financials

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

Financial Overview

Important Note: The financial numbers are presented on a statutory basis

- December 2006 financials are for the OneSteel pre-existing businesses
- December 2007 financials include the contribution of the acquired Smorgon Steel businesses from 20 August 2007
- As at 31 December 2007, the process of allocating the cost of the Smorgon Steel acquisition to the assets, liabilities and contingent liabilities is still underway

	Dec 07	Dec 06	% change 07 vs 06
Net operating profit after tax and minorities[1]	$104.4	$98.2m	6.3%
Earnings per share[1] – based on no. shares at end period	12.0 cents	17.2 cents	(30.2%)
Operating cashflow	$146.3m	$90.8m	61.1%
Free cashflow	($14.7m)	($86.2m)	83.0%
Free cashflow excluding Project Magnet, restructuring costs and impairment of plant and equipment	$51.0m	$55.3m	(7.8%)
Sales margin (EBIT)	6.8%	8.0%	
Gearing (net debt/net debt plus equity) including derivatives	37.8%	33.9%	
Net debt including derivatives	$2,069.4m	$804.1m	157.4%
Interest cover	3.3 times	6.5 times	
Return on equity[1]	8.6%	13.6%	
Return on funds employed[1]	11.0%	14.9%	
Fully franked interim dividend	8.0 cents	8.0 cents	

1 Dec 07 excludes restructuring costs and impairment of plant and equipment associated with the integration of Smorgon Steel

Before starting, I would like to expand on Geoff's earlier comments about the financials. The financials are presented on a statutory basis. When comparing the two periods it should be noted that the December 2007 results include slightly over four months contribution from the acquired businesses. Also, as at 31 December 2007, the process of allocating the cost of the Smorgon Steel acquisition to the assets, liabilities and contingent liabilities is still underway.

The net operating profit after tax and minorities and before restructuring costs and impairment of plant and equipment was $104.4 million, up 6.3% from the December 2006 result. This is equivalent to earnings per share of 12.0 cents, down from 17.2 cents in the previous corresponding period. The statutory net profit after tax was $74.6 million.

Operating cashflow increased to $146.3 million and free cashflow excluding Project Magnet, restructuring costs and impairment of plant and equipment was broadly steady with higher earnings offset by higher payments for interest, tax and capex associated with the acquired businesses.

The sales margin of 6.8% was down from the 8.0% margin in the previous corresponding period.

It is pleasing that despite the large increase in debt associated with the Smorgon Steel transaction that gearing remains within our target range of 30% to 40%. However, interest cover decreased from 6.5 times to 3.3 times.

The business achieved a return on equity of 8.6% and return on funds employed of 11.0%.

The fully-franked interim dividend of 8.0 cents is unchanged from the dividend paid for the December 2006 financial half-year.

Income Statement

Six months to 31 December A$ Million	2007[1]	2006	% Chg 07 vs 06
Sales	3,218.3	2,134.3	50.8%
EBITDA	288.4	218.0	32.3%
Depreciation and amortisation	(70.4)	(48.1)	46.4%
EBIT	218.0	169.9	28.3%
Finance Costs	(67.0)	(26.3)	154.8%
EBT	151.0	143.6	5.2%
Tax Expense	(42.3)	(39.2)	7.9%
Net operating profit after tax	104.4	98.2	6.3%
Statutory net profit after tax	74.6	98.2	(24.0%)
EPS (cents) – based on no. of shares at end of period	12.0	17.2	(30.2%)
ROFE %	11.0	14.9	
Interim Dividend (cents/share)	8.0	8.0	Unchanged

[1] 2007 excludes restructuring costs and impairment of plant and equipment associated with the integration of Smorgon Steel

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Slide 17

While sales revenue was up 50.8% from the previous corresponding period, EBITDA, excluding restructuring costs and impairment of plant and equipment associated with the integration of Smorgon Steel, EBITDA increased only 32.3% due to the margin squeeze that Geoff spoke about. It is also worth noting the significant increase in depreciation and finance costs as a result of the Smorgon Steel acquisition. During the period we capitalised $10.9 million of interest expense as part of construction costs under Project Magnet. As these facilities become operational, the cost of the assets, including any capitalised interest, will be depreciated over the life of the facilities.

Tax expense was $42.3 million with an effective tax rate of 28%, largely attributable to the impact of the claimable research and development expenditure of the combined businesses for the current year and higher than expected claimable expenditure for the prior year.

Net operating profit after tax and before restructuring costs and impairment of plant and equipment was $104.4 million, equivalent to 12 cents earnings per share based on the number of shares at the end of the period. The statutory net profit after tax was $74.6 million.

Before restructuring costs and the impairment of plant and equipment, the return on funds employed was 11.0%.

Non-Trading Items

The following items are included in statutory NPAT

	6m to Dec 07 Millions	6m to Dec 06 Millions
Additions		
• Tax	-	$ 1.7
• Profit on asset sales	$ 0.7	$ -
• Termination of mining trucks leases	-	$ 1.7
Total Additions	$ 0.7	$ 3.4
Subtractions		
• Restructuring costs and impairment of plant and equipment	$ (29.8)	$ (1.5)
• Other	$ (4.6)	$ (2.5)
Total Subtraction	$ (34.4)	$ (4.0)
Net Impact	$ (33.7)	$ (0.6)

Slide 18

I include this slide to show the one-off items in the period's result and those in previous corresponding period. There was a small profit on asset sales, while restructuring costs and impairment of plant and equipment of $29.8 million and $4.6 million of other items subtracted $34.4 million. Hence there was a negative impact of $33.7 million from non-trading items.

Balance Sheet

As at 31 December A$ Million	2007	2006	% Chg 07 vs 06
Total Assets	6,954.0	3,375.3	106.0%
Total Liabilities	3,550.6	1,804.1	96.8%
Net Assets	3,403.4	1,571.2	116.6%
Net Debt including derivatives	2,069.4	804.1	157.4%
Net Debt excluding derivatives	1,976.7	753.1	162.5%
Inventory	1,305.7	888.8	46.9%
Funds Employed	5,472.8	2,375.3	130.4%
Gearing (net debt/ net debt + equity) incl derivative %	37.8	33.9	
Gearing (net debt / net debt + equity) excl Derivative %	36.7	32.4	
Interest Cover - times	3.3	6.5	
NTA / Share $	1.25	2.26	(44.7%)

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Slide 19

This slide highlights that OneSteel's balance sheet is considerably larger following the Smorgon Steel transaction. Net assets are up 116.6% to $3.403 billion.

Importantly, our gearing remains within our target range of 30 to 40% following the acquisition of Smorgon Steel.

Given current market circumstances we continue to monitor our borrowing facilities. We believe there is adequate headroom in our committed facilities. If facilities due to expire in FY08 and FY09 were not renewed there would be headroom of approximately $300 million, including cash on hand, as at 31 December. If these facilities were renewed there would be headroom of approximately $900 million, including cash on hand.

In the attachments there is a slide of OneSteel's debt maturity profile.

Cashflow

Six months to 31 December: A$ Million	2007	2006
Earnings before Tax (adjusted for non-cash items)	126.9	141.2
Depreciation/Amortisation (historic)	75.4	48.1
Capital & Investment Expenditure	(585.8)	(177.0)
Working Capital movement	(0.9)	(57.7)
Income Tax Payments	(55.2)	(40.8)
Asset Sales	1.0	3.9
Other	-	(0.4)
Operating and Investing Cashflows	(438.6)	(82.7)
Free Cashflow	(14.7)	(86.2)
Free Cashflow excluding Project Magnet, restructuring costs and impairment of plant and equipment	51.0	55.3

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Slide 20

Geoff noted earlier the rise in depreciation due to the acquisition of the Smorgon Steel businesses at historic depreciation rates. Operating and Investing cashflows were negative $438.6 million with negative free cashflow of $14.7 million. Excluding Project Magnet, restructuring costs and impairment of plant and equipment, however, free cashflow was a positive $51 million.

Composition of Segments

Materials	Australian Manufacturing	Australian Distribution	International Distribution
Iron ore mines • Iron ore lump • Iron ore fines • Pellets • Ore by-products **Dolomite mines** **Australian Recycling** **International Recycling**	**Whyalla Steelworks** • Structural Rolling Mills • Rail Products Facilities • Slabs & Billets • Steelmaking by-products e.g. coke **Laverton Steel Mill** • Electric Arc Furnace • Laverton Rolling Mills **Sydney Steel Mill** • Electric Arc Furnace • Sydney Bar Mill **Waratah Steel Mill** • Electric Arc Furnace • Bar Mill • Rail and Forge • Grinding Media **Newcastle Rod & Bar Mills** • Rod Mill • Bar Mill • Bright Steels **Wire Mills** • Newcastle Wire Mill • Geelong Wire Mill • Wire Ropery	**Merchandising** • Metaland • Piping Systems • Sheet, Coil & Aluminium • Midalia Steel • Steel and Tube • Fagersta **Coil Coaters** **Pipe & Tube Mills** • Oil & Gas Pipe Mill • Precision Tube Mills • Structural Tube Mills **LiteSteel™ beam Technologies** **Reinforcing**	**50.3% shareholding in Steel & Tube Holdings (NZ)** **Merchandising** • Steel Distribution and Processing • Roofing Products and Reinforcing • Piping Systems • Fastening Systems • Chain & Rigging • Stainless steel • Hurricane Wire Products

E&OE Slide 21

Before I talk about the financial results of the business segments I would like to remind you of OneSteel's new segment structure that became effective 1 July 2007.

We have a new Materials segment that covers the Australian and international recycling businesses we acquired on 20 August 2007 that collect, process and sell ferrous and non-ferrous scrap. Internal sales of scrap to OneSteel's Manufacturing business are at market prices.

The Materials segment also includes the assets and earnings associated with our mining operations. Its products are iron ore lump and fines, ore by-products such as Centrix and filter cake. The cut-off point from the Manufacturing segment is the pellet plant, with the assets and earnings from external sales of pellets, and the associated assets, included in the Materials segment. OneSteel's dolomite mines are the other assets in this segment.

The businesses in the Manufacturing segment are the Whyalla Steelworks, the Laverton, Sydney and Waratah steel mills, the Newcastle Rod and Bar mills and the Wire mills. Products new in this segment following the acquisition of the Smorgon Steel businesses are rail wheels and axles, as well as grinding media.

The Australian Distribution segment comprises the OneSteel and Smorgon Steel Reinforcing operations and the Merchandising business comprising Steel and Tube, Metaland, Piping Systems, Sheet, Coil & Aluminium, Midalia Steel and the Fagersta stainless steel distribution businesses that we acquired in September. The pipe and tube mills, including Australian Tube Mills, are in the Australian Distribution segment, as are the Coil Coaters business and LiteSteel ™ beam Technology business that we acquired from Smorgon Steel.

The International Distribution segment is unchanged, it being our 50.3% shareholding in Steel & Tube Holdings (NZ).

Australian Distribution – Results

6 months to 31 December $A million	2007	2006	% chg 2007 vs 2006
Revenue	1,538.9	1,223.4	25.8
EBITDA	87.6	108.2	(19.0)
EBIT	68.6	92.8	(26.1)
Assets	2,022.9	1,288.7	57.0
Employees	4,728	3,286	43.9
Sales Margin (EBIT) %	4.5	7.6	
ROFE (EBIT) %	12.1	20.6	
Steel tonnes despatched	912,650	671,782	

The results for the six months to December 2006 have been restated to reflect the new segment structure that became effective 1 July 2007. The OneSteel Reinforcing business has been moved from the Manufacturing segment to the Australian Distribution segment.

The results for the six months to December 2007 exclude restructuring costs associated with the integration of Smorgon Steel.

Steel despatch tonnes in the six-months to December 2007 include the despatches of the acquired Smorgon Steel businesses from 20 August 2007.

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Slide 22

I would first like to point out that the financial outcomes shown here for the December 2007 period are before restructuring costs associated with the Smorgon Steel integration and that the results for the December 2006 period have been restated to reflect the new segments that became effective 1 July 2007.
The December 2007 outcome includes the contribution from the Smorgon Steel businesses that we acquired on 20 August 2007, hence the 25.8% increase in revenue. We also acquired the Fagersta stainless steel business in September.
The rapidly appreciating exchange rate affected Distribution's customers and there were also delays in some resource and infrastructure projects that extended from 2007 into the first quarter of 2008. High levels of imports and the lag in import prices following international steel prices higher led to margin compression in both flat and long products in the first half.
Operationally, working capital results continued to improve from prior year levels and the continued focus on supply chain initiatives is driving improvements in service and inventory levels.

Manufacturing – Results

6 months to 31 December A$ million	2007	2006	% change 07 v 06
Revenue	1,332.6	1,051.0	26.8
EBITDA	104.8	109.4	(4.2)
EBIT	65.2	81.2	(19.7)
Assets	1,939.8	1,867.7	3.9
Employees	4,209	3,213	31.0
Sales Margin (EBIT) %	4.9	7.7	
ROFE (EBIT) %	9.4	12.5	
External despatches	651,273	479,008	
Steel tonnes produced	1,357,847	877,819	

The results for the six months to December 2006 have been restated to reflect the new segment structure that became effective 1 July 2007. The OneSteel Reinforcing business has been moved from the Manufacturing segment to the Australian Distribution segment. The outcomes for the six months to December 2007 exclude restructuring costs and impairment of plant and equipment associated with the integration of Smorgon Steel. Despatch tonnes in the six-months to December 2007 include the despatches of the acquired Smorgon Steel businesses from 20 August 2007.

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The financial outcomes of the December 2007 period are before restructuring costs and impairment of plant and equipment associated with the Smorgon Steel integration and like the Distribution financial outcomes, include the contribution from Smorgon Steel businesses from 20 August 2007. The results for the December 2006 period have been restated to reflect the new segments that became effective 1 July 2007.

During the period construction markets remained sound, driven by the civil engineering market in particular and there was strong growth in demand for rail wheels and axles and also grinding media, driven by the resources market. The business faced considerable cost increases in the areas of freight, scrap, zinc, alloys and electricity. The combined steelmaking rates at the Laverton and Sydney electric arc furnaces were at record levels while Waratah steel plant also reached record production rates for key products. There is considerable focus on Operational Excellence to improve the costs and performance of the Manufacturing segment.

Materials – Results

6 months to 31 December A$ million	2007
Revenue	756.9
EBITDA	98.3
EBIT	91.2
Assets	1,096.9
Employees	1,316
Sales Margin (EBIT) %	12.0
ROFE (EBIT) %	20.7
External lump & fines iron ore despatches	1,889,000
Other external iron ore unit despatches	159,000
Metals Recycling tonnes[1]	691,018

1 Metals Recycling tonnes from 20 August 2007

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The December 2007 results for the new Materials segment are before restructuring costs and include slightly over four months contribution from the recycling business acquired from Smorgon Steel.

The Whyalla Steelworks increased iron ore export volumes in line with Project Magnet ramp-up plans. This was against a backdrop of strong demand for iron ore that continues to support the current strength in spot prices above the current benchmark.

In the recycling division, volatility in non-ferrous base metals markets and the rapidly appreciating Australian dollar kept pressure on margins. Production and non-ferrous recoveries increased from the shredders and further improvement is expected in the second half. Consolidation of the group's non-ferrous trading function has been successfully relocated to the Hong Kong office.

International Distribution – Results

6 months to 31 December $A million	2007	2006	% change 2007 vs 2006
Sales	214.8	194.8	10.3
EBITDA	18.4	23.3	(21.0)
EBIT	15.8	20.7	(23.7)
Assets	210.1	201.0	4.5
Employees	859	892	(3.7)
Sales Margin (EBIT) %	7.4	10.6	
ROFE (EBIT) %	17.2	26.4	

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International Distribution's three key market segments of construction, manufacturing and the rural sector were adversely impacted to varying degrees as exchange rate volatility, high interest rates and reduced growth in consumer spending slowed the New Zealand economy.

Sales revenue of the Distribution division was up, partly due to higher nickel prices for stainless steel, while volumes were similar to the previous corresponding period.

Volumes processed by the Manufacturing businesses were slightly up on the previous corresponding period amid strong demand for reinforcing products for infrastructure projects. Lower spending by beef and sheep farmers however led to reduced volumes to the rural sector.

Volatility in the exchange rate continued to adversely affect most business units as price fluctuations for replacement inventory affected profit margins.

I will now hand back to Geoff.

I will start this section with an update on Project Magnet.

Project Magnet - Overview

Project Magnet is a ~ $400 million investment that adds significant value to OneSteel

- Steelworks benefits
  - Increased iron and steel production
  - Value-in-use benefits
  - Extends the life of the Whyalla Steelworks to ~2027
  - Environmental benefits
- Increased iron ore sales
  - External sales of hematite ore being ramped up to 4 million tonnes per annum from historical sales of 1 million tonnes per annum

- During the period major milestones were achieved with respect to iron ore sales, process commissioning and conversion of key steelworks' operations to magnetite feed
- Project Magnet represents the realisation of five years of planning and significant capital programs
- Capital Expenditure

FY 2005	~ $ 24 million
FY 2006	~ $165 million
FY 2007	~ $189 million
FY 2008	~ $ 22 million
Current estimated total	~ $400 million

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Capital expenditure on Project Magnet in this financial year is forecast to be around $22 million. This will take total project expenditure to around $400 million, slightly up from the previous forecast of $395 million. The project adds significant value to OneSteel through the conversion of the Whyalla Steelworks to magnetite ore feed and through increased iron ore sales.

The benefits that Magnet brings to the steelworks include increased iron and steel production; value-in-use benefits; and extending the life of the steelworks to approximately 2027. There are also environmental benefits from the Project.

Through Project Magnet we are ramping up external hematite iron ore sales to 4 million tonnes per annum from historical sales of 1 million tonnes per annum.

During the period, major milestones were achieved with respect to iron ore sales, process commissioning and conversion of key steelworks' operations to magnetite feed.

Project Magnet represents the realisation of five years of planning and significant capital programs.

Project Magnet – Iron Ore Benefits

Hematite Stream

- Benefits
  - Iron Ore sales

• FY2006	~ 1.700kt iron ore lump and fines
	~ 300kt ore by-products
• FY 2007	~ 2.8m tonnes ore
	~ 266k tonnes ore by-products
• H108	~ 1.9m tonnes lump and fines – 9 Cape-size ships
	~ 160k tonnes ore by-products

On track for 4m tonnes total lump and fines sales in FY2008

Further Opportunities

- Work is underway to identify and prove up increased iron ore reserves.
- Investigations have commenced into opportunities to increase ore sales above 4 million tonnes per annum.

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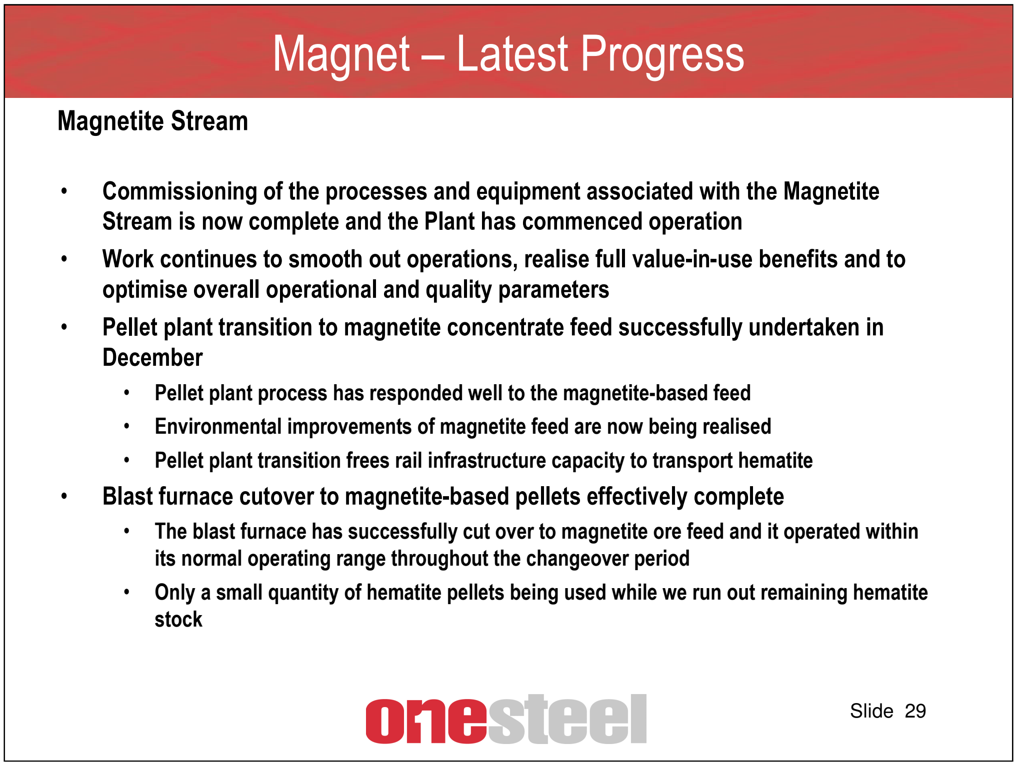
The hematite stream is now fully commissioned and operational with total external iron ore sales ramping up to approximately 1.9 million tonnes during the period and on track for total lump and fines sales of 4 million tonnes in the 2008 financial year. There were also sales of approximately 160,000 tonnes of off-spec ore by-products in the six months under review. These sales comprised magnetite filter cake and Centrix.

We are also investing further opportunities around the hematite stream of Project Magnet.

Work is underway to identify and prove up increased iron ore reserves and investigations have commenced into opportunities to increase ore sales above 4 million tonnes per annum.



Turning to the magnetite stream of Project Magnet, commissioning of the associated processes and equipment is now complete and the plant has commenced operation.

Work continues to smooth out operations, realise full value-in-use benefits and to optimise overall operational and quality parameters.

The pellet plant's transition to magnetite concentrate feed was successfully undertaken in December and the pellet plant process has responded well to the new feed. Consequently, the environmental improvements of magnetite feed are now being realised and the rail infrastructure capacity has been freed to transport hematite.

The cutover of the blast furnace to magnetite-based pellets is effectively complete, with the blast furnace operating within its normal operating range throughout the changeover period. We continue to use a small quantity of hematite pellets while we consume the remaining hematite stock.

Creating Value from the New OneSteel

OneSteel and Smorgon Steel Merger

- Major reconfigurations have been announced
  - Restructure of the Australian Tube Mills structural pipe and tube manufacturing operations announced in August – largely complete
  - Restructure of OneSteel's bar mill operations in Newcastle and OneSteel Martin Bright in Somerton announced in February – takes effect 2008/09 financial year
  - Closure of the Laverton Wire Mill announced in early November – takes effect over March 2008 quarter
- Other progress and areas of action
  - Closure of Smorgon Steel corporate office
  - Product swaps between manufacturing facilities
  - Scrap utilisation benefits in electric arc furnaces via Recycling
  - Insurance, Information Systems and refinancing
  - Procurement
  - Workers Compensation/Self-insurance of ex-Smorgon businesses
  - Customer retention

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I will now update you on our other major growth initiative, the integration of the Smorgon Steel businesses that were acquired on 20 August 2007.

We have announced three major reconfigurations in this financial year. The restructure of the Australian Tube Mills structural pipe and tube manufacturing operations that we announced in August is largely complete. In November we announced the closure of the Laverton Wire Mill and that will take effect over the March 2008 quarter. Last week we announced the restructure of OneSteel's bar mill operations in Newcastle and at OneSteel Martin Bright in Somerton. That will take effect in the following financial year.

Other progress and areas of action include: the closure of the Smorgon Steel corporate office; product swaps between manufacturing facilities; scrap utilisation benefits in electric arc furnaces via Recycling; insurance, information systems and refinancing; procurement; and workers compensation and self-insurance of the acquired businesses. There has also been considerable focus on the area of customer retention.

Creating Value from the New OneSteel

- Significant progress to date
- Customer and sales retention focus – positive to date with good levels of support from our customers and minimal sales loss

Estimated net synergies and associated costs for first year	Original Case	Current Estimate
EBITDA net synergies	$25m	$41m
EBITDA cost of achieving synergies	($35m)	($82m)

- Costs associated with attaining synergies are often expensed prior to benefits occurring
- Forecast restructuring costs exclude asset write-downs given the degree of uncertainty in accurately estimating these values. The first half of FY2008 includes impairment of plant and equipment of ~$5 million. The costs of the restructuring announced on 15 February exclude impairment of plant and equipment of approximately $17 million to $27 million.

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To date, there has been significant progress with the integration and so far our focus on customer and sales retention has been met with good levels of support from our customers and minimal sales loss.

In terms of progress against the synergy targets, the current estimate for synergy benefits in Year 1 is $41 million, above the targeted first full year benefit of $25 million and the advice at the AGM of $39 million.

The estimated cost of attaining the benefits is also higher at $82 million against a targeted year 1 cost of $35 million and total costs of $70 million. The key factor for the increase from $39 million costs at the AGM is the $35 million additional restructuring cost associated with the restructuring of bar mill operations that was announced on 15 February. The costs associated with the bar mill restructure will be booked this financial year but largely incurred in the next financial year.

Forecast restructuring costs exclude asset write-downs given the degree of uncertainty in accurately estimating these values. The first half of FY2008 includes impairment of plant and equipment of ~$5 million. The costs of the restructuring announced on 15 February exclude impairment of plant and equipment of approximately $17 million to $27 million.

Summary and Outlook

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I will finish up with a summary of the results and some comments on the outlook before taking questions.

Summary

- Statutory net profit after tax includes the Smorgon Steel businesses from 20 August 2007 and reflects restructuring costs and impairment of plant and equipment incurred ahead of receiving the associated synergy benefits
- Operating cashflow of $146.3 million
- Gearing remains in target range after the acquisition of the Smorgon Steel businesses in August 2007
- Interim dividend of 8.0 cents
- Completion of Smorgon Steel merger
  - Acceleration of net synergies from merger
- Good progress on Project Magnet
  - External sales of iron ore of almost 1.9 million tonnes
  - Transition of Whyalla Steelworks to magnetite ore feed

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The statutory net profit after tax includes the Smorgon Steel businesses from 20 August 2007 and reflects restructuring costs and impairment of plant and equipment incurred ahead of receiving the associated synergy benefits.

The Board of Directors announced an interim dividend of 8.0 cents.

The business generated operating cashflow of $146.3 million and gearing remains in our target range after the Smorgon Steel merger was completed in August.

During the period we have accelerated the net synergies from the merger and also made good progress on Project Magnet with external iron ore sales ramped up to almost 1.9 million tonnes and the Whyalla steelworks transition to magnetite ore feed.

Outlook

- For the remainder of the financial year domestic activity is likely to be at similar levels
  - Strength in the mining, non-residential and engineering construction segments
  - Softness in manufacturing and residential construction
  - Rural segment likely to continue to be soft but with some improvement following recent rain
- International prices for steel and steelmaking inputs have increased dramatically to historic highs in recent months
  - Prices of raw materials, key inputs and steel products anticipated to remain at high levels but with continued volatility
- Trading conditions
  - There were unique factors that led to an increase in imports through 2007 and suppressed the price of imports, adversely affecting margins
  - Movements in commodity prices and foreign exchange rate adversely affected Recycling’s returns
  - These factors appear to be abating and the trading environment is expected to improve through the second half

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I will finish with some comments on the outlook.

For the remainder of the financial year domestic activity is likely to be at a similar level with strength in the mining, and engineering and non-residential construction segments and softness in residential construction and the manufacturing segment. The rural segment will also likely to continue to be soft but with some improvement following recent rain.

International prices for steel and steelmaking inputs have increased dramatically to historic highs in recent months. Prices are anticipated to continue at high levels but with continued volatility.

There were unique factors that led to an increase in imports through 2007 and suppressed the price of imports, adversely affecting margins. Movements in commodity prices and the rapidly appreciating Australian dollar adversely affected the margins and returns of the Recycling business.

These factors appear to be abating and the trading environment is expected to improve through the second half.

Outlook

- Earnings this financial year will be strongly skewed towards the second half
  - Full 6-month contribution from the acquired Smorgon Steel businesses in the second half
  - Improving competitive environment
  - Higher proportion of iron ore exports in the second half
  - The transition to magnetite ore feed at Whyalla Steelworks will start to deliver cost and operational benefits
  - Smorgon Steel merger benefits will ramp up in the second half
- Guidance for the full financial year continues to be at the operating profit level (EBITDA excluding restructuring costs and synergy benefits) and within a range of $710 million to $780 million
- Management's priorities remain
  - To further improve returns
  - To complete Project Magnet and fully realise its benefits
  - To continue to effectively integrate the acquired businesses of Smorgon Steel to deliver the expected level of benefits and synergies

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As indicated at the Annual General Meeting in November 2007, earnings this financial year will be strongly skewed towards the second half. The main factors underlying the change in earnings between the two halves are:

--There will be a full six-month contribution from the acquired Smorgon Steel businesses in the second half;

--While a number of factors in calendar 2007 adversely affected margins and pricing, the competitive environment is improving;

--There will be a higher proportion of iron ore exports in the second half;

--The transition to magnetite ore feed at Whyalla Steelworks will start to deliver cost and operational benefits;

--and benefits from Smorgon Steel merger will also ramp up in the second half.

The financial outcomes of the second half will be impacted by the resetting of asset values under acquisition accounting and the associated impact on depreciation. For that reason guidance for the full financial year continues to be at the operating profit level, i.e. EBITDA before restructuring costs of $82 million and synergy benefits of $41 million, and within a range of $710 million to $780 million. Impairment of plant and equipment in the range of $17 million to $27 million will impact profit at the NPAT level for the full year.

Following the commissioning of Project Magnet, depreciation will increase. Interest will also increase as a result of interest no longer being capitalised on the project. In addition Management's priorities continue to be to further improve returns from pre-existing businesses, to complete Project Magnet and fully realise its benefits and to continue to effectively integrate the acquired businesses of Smorgon Steel and to deliver the expected level of benefits and synergies.

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

 

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OneSteel's New Reporting Segments

DISCLAIMER – THE UNAUDITED INFORMATION IN THE FOLLOWING THREE SLIDES WAS RELEASED TO THE AUSTRALIAN STOCK EXCHANGE ON 30 JANUARY 2008 TO GIVE A 'PROFORMA' HISTORY OF ONESTEEL'S NEW REPORTING SEGMENTS IN ADVANCE OF THE RELEASE OF INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS TO DECEMBER 2007 ON 19 FEBRUARY 2008.

THE PROFROMA NUMBERS INCLUDE THE RESULTS OF THE BUSINESSES AS IF THE ASSETS AND OPERATIONS OF ALL SEGMENTS WERE PART OF THE ONESTEEL GROUP FROM THE 1ST JULY 2005. THE NUMBERS HAVE NOT BEEN AUDITED.

Composition of Segments

Materials	Australian Manufacturing	Australian Distribution	International Distribution
Iron ore mines • Iron ore lump • Iron ore fines • Pellets • Ore by-products **Dolomite mines** **Australian Recycling** **International Recycling**	**Whyalla Steelworks** • Structural Rolling Mills • Rail Products Facilities • Slabs & Billets • Steelmaking by-products e.g. coke **Laverton Steel Mill** • Electric Arc Furnace • Laverton Rolling Mills **Sydney Steel Mill** • Electric Arc Furnace • Sydney Bar Mill **Waratah Steel Mill** • Electric Arc Furnace • Bar Mill • Rail and Forge • Grinding Media **Newcastle Rod & Bar Mills** • Rod Mill • Bar Mill • Bright Steels **Wire Mills** • Newcastle Wire Mill • Geelong Wire Mill • Wire Ropery	**Merchandising** • Metaland • Piping Systems • Sheet, Coil & Aluminium • Midalia Steel • Steel and Tube • Fagersta **Coil Coaters** **Pipe & Tube Mills** • Oil & Gas Pipe Mill • Precision Tube Mills • Structural Tube Mills **LiteSteel™ beam Technologies** **Reinforcing**	**50.3% shareholding in Steel & Tube Holdings (NZ)** **Merchandising** • Steel Distribution and Processing • Roofing Products and Reinforcing • Piping Systems • Fastening Systems • Chain & Rigging • Stainless steel • Hurricane Wire Products

Segments – Historical – Proforma

FY07 A$m	Materials	Manufacturing	Australian Distribution	Unallocated	Eliminations	Australia	International Distribution	Eliminations	OneSteel Group
Sales revenue	1,783.3	2,467.3	3,324.1	13.5	(1,000.9)	6,587.3	404.5	(47.0)	6,944.8
EBITDA	177.2	239.5	253.7	(17.6)	(6.7)	646.1	45.9	(14.0)	678.0
EBIT	157.3	154.7	213.6	(24.1)	(6.7)	494.8	40.6	(14.0)	521.4
Funds employed*	1,219.6	2,269.2	1,787.1	(208.8)	(7.5)	5,059.6	186.6	(79.1)	5,167.1
EBIT margin	8.8%	6.3%	6.4%			7.5%	10.0%		7.5%
ROFE* (EBIT)	12.9%	6.8%	11.9%			9.8%	21.8%		10.1%
ASSETS	1,369.4	2,738.9	2,401.5	44.4	(118.0)	6,436.2	222.6	106.5	6,765.3
FY06 A$m	**Materials**	**Manufacturing**	**Australian Distribution**	**Unallocated**	**Eliminations**	**Australia**	**International Distribution**	**Eliminations**	**OneSteel Group**
Sales revenue	1,126.1	2,262.8	3,252.4	12.7	(877.7)	5,776.3	390.3	(45.3)	6,121.3
EBITDA	124.1	224.5	272.9	(34.9)	3.9	590.5	48.7	(12.1)	627.1
EBIT	107.5	142.4	234.9	(41.0)	3.9	447.7	43.7	(12.1)	479.3
Funds employed*	927.9	2,240.1	1,627.6	(108.7)	1.4	4,688.3	146.5	(74.2)	4,760.6
EBIT margin	9.5%	6.3%	7.2%			7.8%	11.2%		7.8%
ROFE* (EBIT)	11.6%	6.4%	14.4%			9.5%	29.8%		10.1%
ASSETS	1,060.0	2,667.4	2,109.5	142.1	(99.0)	5,880.0	178.4	115.9	6,174.3

* The funds employed numbers above are as at year-end.

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Segments* – Proforma Tonnage (millions of tonnes)

MATERIALS	FY 2007	FY 2006
MINES		
• Iron ore fines	1.902	1.451
• Iron ore lump	0.908	0.339
Total Iron ore lump & fines	**2.810**	**1.790**
Centrix and pellet chips	0.267	0.298
Other (dolomite)	0.484	0.344
TOTAL MINING	**3.561**	**2.432**
RECYCLING		
• Ferrous – External	0.797	0.527
• Ferrous – Internal	0.705	0.726
Total ferrous	**1.502**	**1.253**
Non-ferrous	0.216	0.196
TOTAL RECYCLING	**1.718**	**1.449**
TOTAL MATERIALS	**5.279**	**3.881**

STEEL DESPATCHES	FY 2007	FY 2006
• External manufacturing	1.534	1.503
• Internal manufacturing	1.044	1.005
MANUFACTURING total steel despatches	**2.578**	**2.508**
DISTRIBUTION	**1.869**	**1.911**
TOTAL STEEL DESPATCHES**	**3.403**	**3.414**

RAW STEEL PRODUCTION	FY 2007	FY 2006
Whyalla	1.171	1.129
Sydney Steel Mill	0.562	0.504
Laverton	0.673	0.615
Waratah	0.264	0.248
TOTAL RAW STEEL PRODUCTION	**2.670**	**2.496**

* Excludes International Distribution

** Total steel despatches is the sum of Manufacturing's external steel despatches and Distribution's steel despatches. Inter-segment despatches have been eliminated

Cashflow Reconciliation – Historical Data

							Proforma
A$ million	AIFRS				AGAAP		
Six months to 31 December	2007	2006	2005	2004	2003	2002	2001
EBITDA (adjusted for non-cash items)	269.3	215.6	203.7	172.8	139.7	168.2	124.3
Interest	(67.0)	(26.3)	(29.4)	(23.9)	(20.8)	(22.9)	(30.6)
Tax	(55.2)	(40.8)	(33.0)	(24.2)	(13.7)	(6.1)	(9.4)
Capital Expenditure	(160.9)	(177.0)	(114.9)	(63.6)	(45.0)	(26.4)	(22.1)
Working Capital	(0.9)	(57.7)	(47.6)	(68.6)	(48.8)	(30.1)	(83.3)
Free Cash Flow	(14.7)	(86.2)	(21.2)	(7.5)	11.4	82.7	(21.1)
- Investments	(424.9)	-	0.3	0.8	-	-	-
- Plus Asset Sales	1.0	3.9	0.5	3.6	5.0	2.6	31.0
- Other	-	(0.4)	1.6	(0.1)	5.6	(9.2)	66.6
Operating and Investing Cashflows	(438.6)	(82.7)	(18.8)	(3.2)	22.0	76.1	76.5

Income Statement – Historical Data

A$ million		AIFRS			AGAAP		Proforma		% chg
6 months to 31 Dec	2007[2]	2006	2005	2004	2003	2002	2001	2000	07/06
Sales	**3,218.3**	**2,134.3**	1,988.8	1,890.5	1,566.7	1,525.0	1,473.2	1,267.0	50.8%
EBITDA	**288.4**	**218.0**	203.5	173.7	146.9	168.2	125.6	111.6	32.3%
Dep & Amort[1]	**(70.4)**	**(48.1)**	(47.4)	(45.0)	(43.1)	(43.3)	(43.4)	(41.0)	46.4%
EBIT	**218.0**	**169.9**	156.1	128.7	103.8	124.9	82.2	70.6	28.3%
Finance Costs	**(67.0)**	**(26.3)**	(29.4)	(23.9)	(20.8)	(22.9)	(30.6)	(29.6)	154.8%
EBT	**151.0**	**143.6**	126.7	104.8	83.0	102.0	51.6	41.0	5.2%
Tax Expense	**(42.3)**	**(39.2)**	(34.5)	(25.5)	(22.0)	(32.5)	(19.1)	(12.0)	7.9%
NPAT	**104.4**	**98.2**	84.1	70.3	55.8	64.8	28.9	26.4	6.3%
EPS (cents)	**12.0**	**17.2**	14.9	12.6	10.1	12.0	5.4	5.8	(30.2%)
ROFE (EBIT) %	**11.0**	**14.9**	14.9	14.4	11.7	14.0	8.9	7.0	
Dividend (cents/share)	**8.0**	**8.0**	7.0	6.0	5.0	5.0	3.0	3.0	

[2] December 2007 results exclude restructuring costs and impairment of plant and equipment associated with the integration of Smorgon Steel

[1] Excludes goodwill amortisation for periods prior to 2004

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Balance Sheet – Historical Data

A$ million		AIFRS			AGAAP		Proforma	% chg 07 vs 06
As at 31 December	2007	2006	2005	2004	2003	2002	2001	
Total Assets	6,954.0	3,375.3	3,058.3	2,748.1	2,609.6	2,602.9	2,625.4	106.0%
Liabilities	3,550.6	1,804.1	1,619.9	1,465.9	1,305.5	1,331.8	1,424.7	96.8%
Net Assets	3,403.4	1,571.2	1,438.4	1,282.2	1,304.1	1,271.1	1,200.7	116.6%
Net Debt (incl derivative)	2,069.4	804.1	706.2	709.0	696.9	712.6	822.2	157.4%
Inventory	1,305.7	888.8	840.2	758.8	646.5	626.0	608.0	46.9%
Funds Employed	5,472.8	2,375.3	2,144.6	1,791.2	1,801.0	1,783.7	1,822.9	130.4%
Gearing[1] % (net debt/ net debt plus equity)	37.8	33.9	32.9	35.6	34.8	35.9	40.6	
Interest cover – times	3.3	6.5	5.3	5.4	5.0	5.5	2.7	
NTA / Share $	1.25	2.26	2.03	1.77	1.82	1.78	1.70	(44.7%)

1 December 2005 and prior figures include $200 million securitisation which was accounted for off-balance sheet under previous AGAAP

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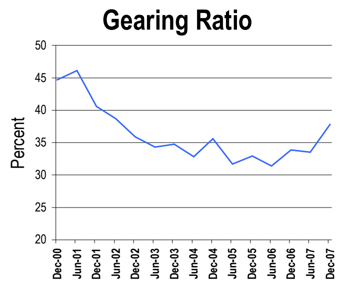
Summary of Outstanding Facilities

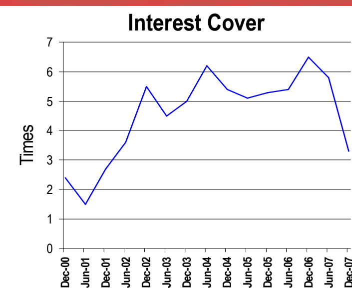
Year of Maturity	Type of Facility	Facility Amount $m	Amount Drawn $m	Amount Available $m
FY08	Bilateral loans	263	113	150
FY09	Committed debt	346	338	8
FY10	Syndicated loan, US note issues, lease facilities	483	483	0
FY11	Syndicated loan, US note issues	300	165	135
FY12	Syndicated loan, US note issues	246	191	55
FY13	Syndicated loan, US note issues	1,128	648	480
FY15	Syndicated loan, US note issues	123	123	0
Total		**2,889**	**2,061**	**828**

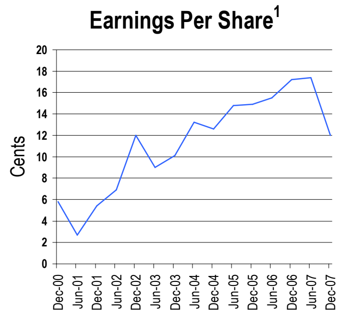
Cash Flow – Historical Data

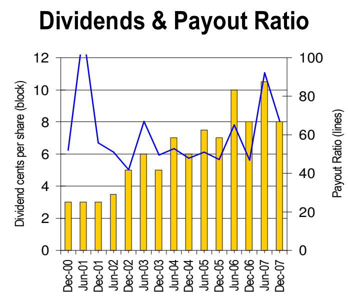
A$ million Six months to 31 Dec	2007	2006	2005	2004	2003	2002	Proforma 2001
Earnings before Tax (adj'd for non-cash items)	126.9	141.2	126.9	103.8	75.4	102.0	50.3
Dep & Amort (ex goodwill)	75.4	48.1	47.4	45.0	43.1	43.3	43.4
Capital & Investment Expenditure	(585.8)	(177.0)	(114.9)	(63.6)	(45.0)	(26.4)	(22.1)
Working Cap movement	(0.9)	(57.7)	(47.6)	(68.5)	(48.8)	(30.1)	(83.3)
Income Tax Payments	(55.2)	(40.8)	(33.0)	(24.2)	(13.7)	(6.1)	(9.4)
Asset Sales	1.0	3.9	0.5	3.6	5.0	2.6	31.0
Other	-	(0.4)	1.9	0.7	6.0	(9.2)	66.6
Operating and Investing Cashflows	(438.6)	(82.7)	(18.8)	(3.2)	22.0	76.1	76.5
Free Cash Flow	(14.7)	(86.2)	(21.2)	(7.5)	11.4	82.7	(21.1)

Trends in Key Financial Ratios









Results from December 2004 to December 2007 are presented under AIFRS

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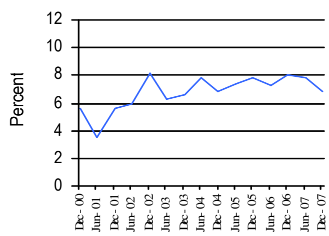
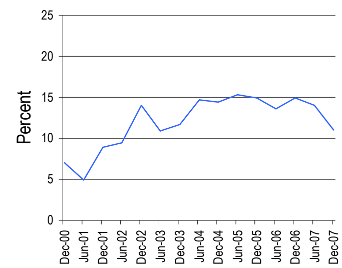
[1] **Dec 2007 excludes restructuring costs and impairment of plant and equipment associated with the integration of Smorgon Steel**

Trends in Key Operating Ratios

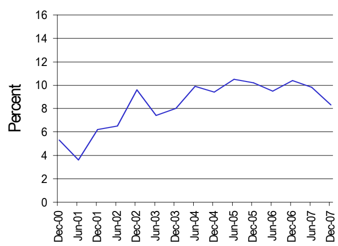
Sales Margin (EBIT)*



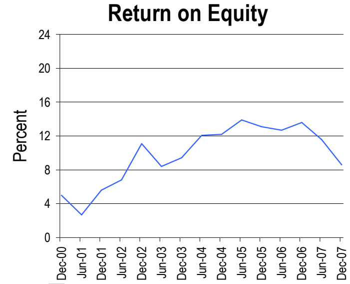
ROFE (EBIT)*



Return on Assets (EBIT)*



Return on Equity



Results from December 2004 to December 2007 are presented under AIFRS
* Against EBITA prior to December 2004

Dec 07 excludes restructuring costs and impairment of plant and equipment associated with the integration of Smorgon Steel

Australian Distribution – Historical Data

$A million							Proforma		% chg
6m to 31 Dec	2007	2006	2005	2004	2003	2002	2001	2000	07 v 06
Revenue	1,538.9	1,223.4	923.2	863.8	747.5	727.1	749.4	551.7	25.8
EBITDA	87.6	108.2	76.4	83.5	53.4	70.9	54.6	31.1	(19.0)
EBIT*	68.6	92.8	64.6	71.7	42.4	58.0	43.7	20.6	(26.1)
Assets	2,022.9	1,288.7	1,123.9	1,144.4	1,029.5	1,039.4	1,008.7	768.0	57.0
Employees	4,728	3,286	2,467	2,416	2,299	2,301	2,448	2,277	43.9
Sales Margin (EBIT) %	4.5	7.6	7.0	8.3	5.7	8.0	5.8	3.7	
ROFE (EBIT) %	12.1	20.6	15.7	17.7	10.7	14.0	11.1	6.6	

* The financial information presented prior to 2004 is based on previous AGAAP and excludes goodwill amortisation from earnings.
The results for the six months to December 2006 have been restated to reflect the new segment structure that became effective 1 July 2007. The OneSteel Reinforcing business has been moved from the Manufacturing Segment to the Australian Distribution segment.
The results for the six months to December 2007 exclude restructuring costs associated with the integration of Smorgon Steel.

Manufacturing – Historical Data

$A million							Proforma		% chg
6m to 31 Dec	2007	2006	2005	2004	2003	2002	2001	2000	07 v 06
Revenue	1,332.6	1,051.0	1,020.9	982.5	791.4	778.8	702.5	637.3	26.8
EBITDA	104.8	109.4	113.1	77.2	85.7	98.2	72.4	79.8	(4.2)
EBIT*	65.2	81.2	81.5	48.1	56.9	70.1	42.7	49.0	(19.7)
Assets	1,939.8	1,867.7	1,684.4	1,480.3	1,477.6	1,430.2	1,452.6	1,488.6	3.9
Employees	4,209	3,213	3,786	3,831	3,816	3,806	3,874	3,822	31.0
Sales Margin (EBIT) %	4.9	7.7	8.0	4.9	7.2	9.0	6.1	7.7	
ROFE (EBIT) %	9.4	12.5	14.2	9.8	11.3	14.9	8.6	9.6	

•The financial information presented prior to 2004 is based on previous AGAAP and excludes goodwill amortisation from earnings.
The results for the six months to December 2006 have been restated to reflect the new segment structure that became effective 1 July 2007. The OneSteel Reinforcing business has been moved from the Manufacturing Segment to the Australian Distribution segment.
The results for the six months to December 2007 exclude restructuring costs and impairment of plant and equipment associated with the integration of Smorgon Steel.

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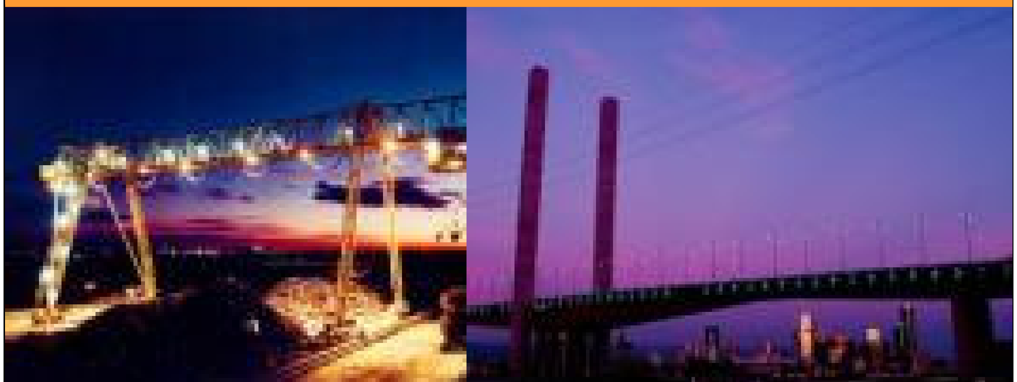
International Distribution – Historical Data

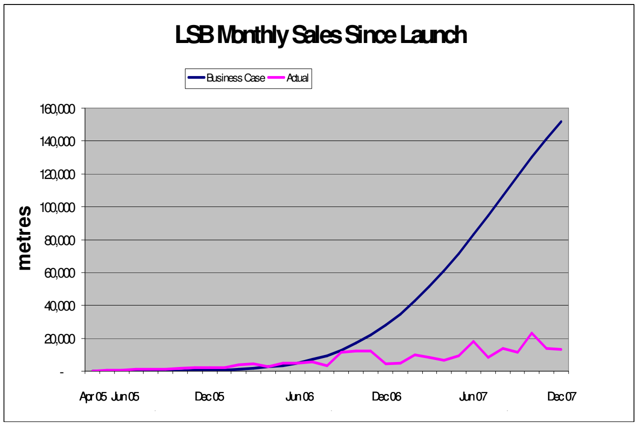
$A million							Proforma		% chg
6m to 31 Dec	2007	2006	2005	2004	2003	2002	2001	2000	07 v 06
Revenue	214.8	194.8	204.4	198.6	161.5	142.1	144.1	152.4	10.3
EBITDA	18.4	23.3	28.3	30.9	20.6	17.7	13.0	13.9	(21.0)
EBIT*	15.8	20.7	25.8	28.2	18.1	15.6	10.5	11.2	(23.7)
Assets	210.1	201.0	187.9	181.5	152.5	139.7	123.0	173.7	4.5
Employees	859	892	805	803	772	613	573	714	3.7
Sales Margin %	7.4	10.6	12.6	14.2	11.2	11.0	7.3	7.4	
ROFE %	17.2	26.4	32.5	39.5	28.3	28.1	17.2	15.4	

* The financial information presented prior to 2004 is based on previous AGAAP and excludes goodwill amortisation from earnings.

Attachments – Market Conditions



LiteSteel™ Beam – Progress since Launch



- Australia – continued focus on market acceptance and penetration.
- US – establishment of plant and facility in Virginia proceeding to plan. Trial product seeding to commence Q3 F08
- Japan – regulatory approval well underway

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OneSteel's Key Australian Steel Sales Revenue Segments[1]

[1] Estimated market segment weightings of the merged businesses in 2006/07 financial year		
[1] Excludes export steel, recycling, iron ore and other non-steel that represented an estimated 21% of the combined businesses' sales revenue in the 2007 financial year	Weighting	% chg 6m to Dec 07 vs 6m to Dec 06
Residential construction	16	0.7%
Non-residential construction	23	-1.0%
Engineering construction	24	5.7%
Mining	17	5.0%
Manufacturing	10	-0.4%
Agriculture	6	0.3%
Automotive	4	-0.7%
Weighted average	100	2.0%

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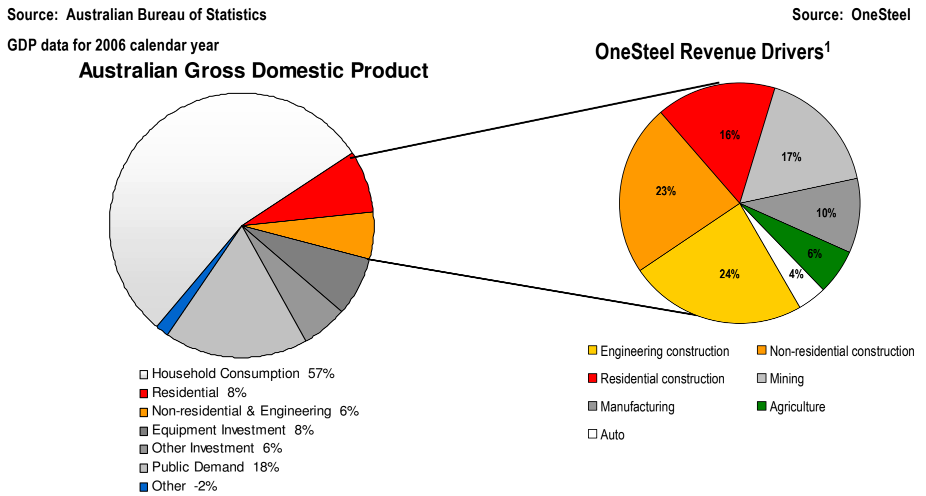
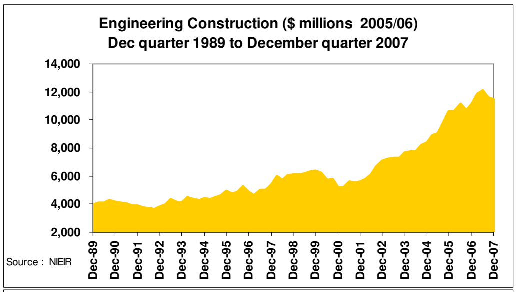
OneSteel Revenue Drivers[1] vs Broader Economy's Drivers



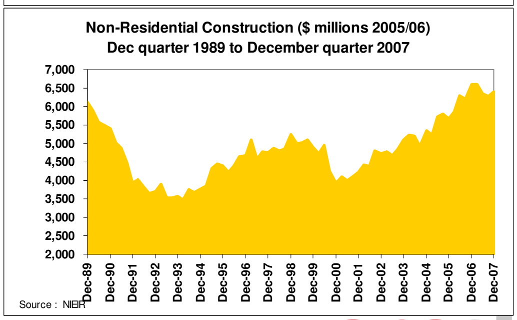
1 Estimated weighting of the market segments that drove the Australian steel sales revenue of the combined businesses in the year ended 30 June 2007. It excludes steel exports, recycling, iron ore and other non-steel that are estimated to have represented 21% of the combined businesses' sales revenue in the year ended 30 June 2007

OneSteel Key Steel Revenue Segments[1]



Engineering construction: 24%[1] of Australian steel sales revenue in FY07

5.7% year-on-year increase in value of activity



Non-residential construction: 23%[1] of Australian steel sales revenue in FY07

1.0% year-on-year decrease in value of activity

[1] Estimated revenue weightings of the combined businesses in the year ended 30 June 2007

Source: NIEIR

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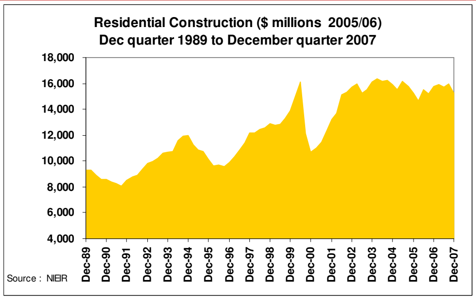
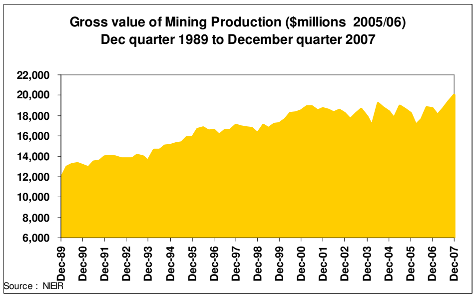
OneSteel Key Steel Revenue Segments[1]



Residential construction: 16%[1] of Australian steel sales revenue in FY07

0.7% year-on-year increase in value of activity

Overall weighted year-on-year increase in value of construction activity 2.0%



Mining : 17%[1] of Australian steel sales revenue in FY07

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

[1] Estimated revenue weightings of the combined businesses in the year ended 30 June 2007

Source: NIEIR

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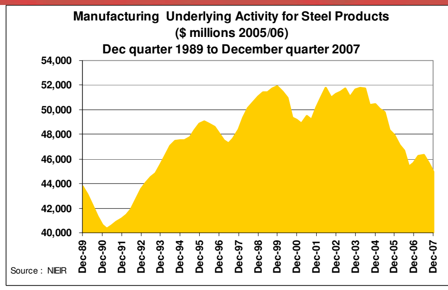
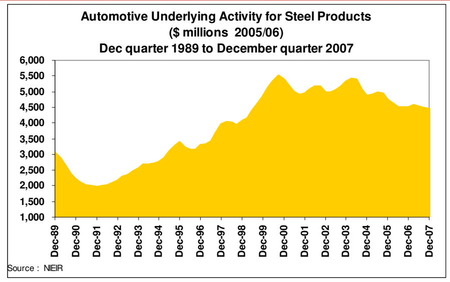
Overall Increase In OneSteel Key Steel Revenue Segments[1] 2.0%*

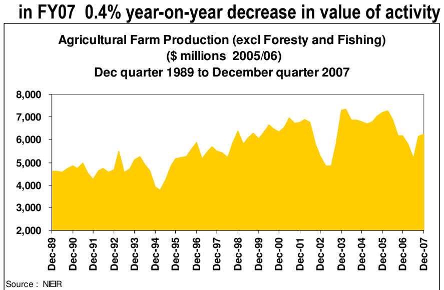


Manufacturing: 10%[1] of Australian steel sales revenue in FY07 0.4% year-on-year decrease in value of activity



Auto: 4%[1] of Australian steel sales revenue in FY07 0.7% decrease year-on-year

Source: NIEIR



Agricultural: 6%[1] of Australian steel sales revenue in FY07 0.3% increase year-on-year

[1] Estimated revenue weightings of the combined businesses in the year ended 30 June 2007

* Excludes export steel, recycling, iron ore and other non-steel which represented an estimated 21% of the combined businesses' sales revenue in the 2007 financial year

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Major Project Flow

Won/Awarded

- Newcrest Boddington Gold Mine, Boddington, WA
- Abbot Point Coal Terminal Expansion, QLD
- Argyle Underground Expansion, WA
- Santos DPCU Project, Perth, WA
- Hartley Mine, Lithgow, NSW
- Coles Myer Distribution Centre, Adelaide, SA
- "Northern Link" north/south Bypass Tunnel, Brisbane, QLD
- Kurnell Desalination Plant, NSW
- Rio Tinto Hope Downs Development WA
- Pilbara Bridge, SA
- Gateway Bridge upgrade, Brisbane, QLD
- Melbourne Airport "STEP" Project
- Dalrymple Bay Coal Terminal, Dalrymple, QLD
- Monash City Link Bridge, VIC
- SCG Grandstand, NSW
- Royal Women's Hospital, VIC
- 275 George Street CBD, QLD
- ANZ Docklands, VIC
- Dynon Rail, VIC
- Deer Park Bypass, VIC
- Rectangular (Soccer) Stadium, VIC
- Conservatory, SA
- Moorilla Art Museum, TAS
- Top Ryde Shopping Centre, NSW
- Charlestown Shopping Centre, NSW
- Office development at 420 George Street, NSW
- Auburn Rail Facility, NSW
- Cairns Domestic Airport Extension, QLD
- ASC Ship lifter, SA
- Southern Cross West Tower, VIC
- Chadstone Shopping Centre, Office, VIC
- Fortescue Metals Mine, Rail & Port, WA
- Perth Arena, WA
- Oxiana Prominent Hill Development North, SA
- Office development at 420 George Street, Sydney, NSW

Potential/Upcoming

- Natural Fuels Australia – Bio Processing Plant East Arm, NT
- Sydney International Car Park, Sydney, NSW
- BHP Billiton Olympic Dam Expansion, SA
- Worsley Alumina Refinery Upgrade, Worsley, WA
- Comalco WEIPA Refinery, QLD
- McArthur Coal, Fitzroy, QLD
- Goonyella Riverside Coal Mine Expansion, QLD
- Westfield Centrepoint, Sydney, NSW
- Dawson South Stage Two Project, Theodore QLD
- Rozelle Marina, NSW
- CSR – Warehouse Distribution, NSW
- ADI Mulwala, VIC
- BHP Billiton RGP4, WA
- Bogong Pipeline, NSW
- National Ice Sports Centre, VIC
- St Kilda Triangle, VIC
- CUB site development, VIC
- Gunns Pulp Mill, TAS
- Tullamarine Airport Expansion, VIC
- Royal Children's Hospital, VIC
- Darling Downs Power Station, QLD
- Airport Link, QLD
- Turrum/Kipper Gas Field Development, VIC
- Patricia Baleen Gas Field Development, VIC
- Wonthaggi Desalination, VIC
- Penola Pulp Mill, SA
- Mobile Desalination Projects (WCRW Project), QLD
- Port Stanvac Desalination Plant, SA
- Balgowlah Village Shopping Centre, NSW
- AWB Common User Facility, SA
- Port Botany Expansion, NSW
- Newcastle Coal Loader, NSW
- Regent Office, Bris, QLD
- Aldi Warehouse, Sydney, NSW
- Nowra Shopping Centre, NSW
- Hyundai Motors Warehouse, Sydney, NSW
- SACA grandstand extension, SA
- 400 King Williams St, Adelaide, SA
- AAMI Stadium upgrade, SA
- Wakefield St office building, SA
- Melbourne Wholesale Fruit & Vegetable Market, VIC
- Office development Bligh Street, Sydney, NSW
- Coopernook to Herons Creek Upgrade Pacific Highway, NSW
- Exploration Apartments, VIC
- BHP Billiton office Tower, Perth, WA
- Blacktip mine, WA
- Brockman, WA
- Cape Lambert Iron Ore Mine, WA
- Pluto Stick Build, WA

Projects highlighted in red denote additions to lists

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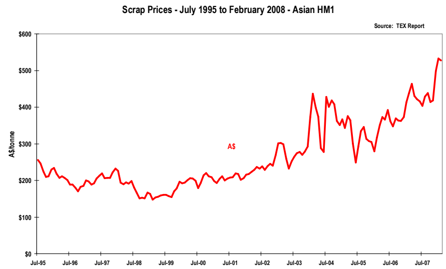
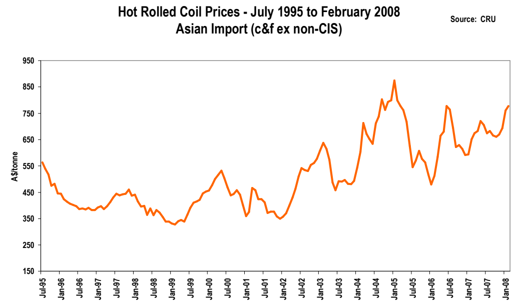
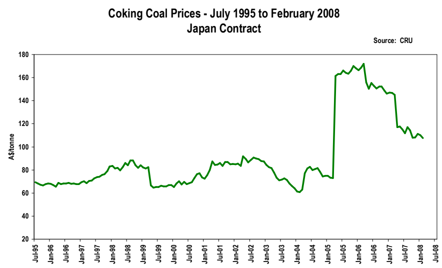
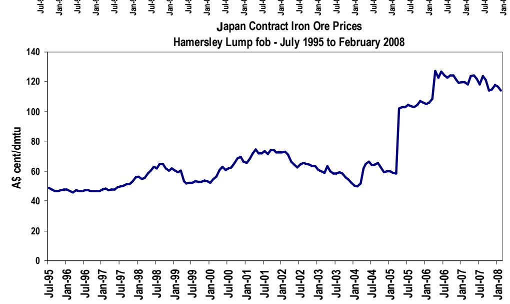
Long Products Raw Material Inputs

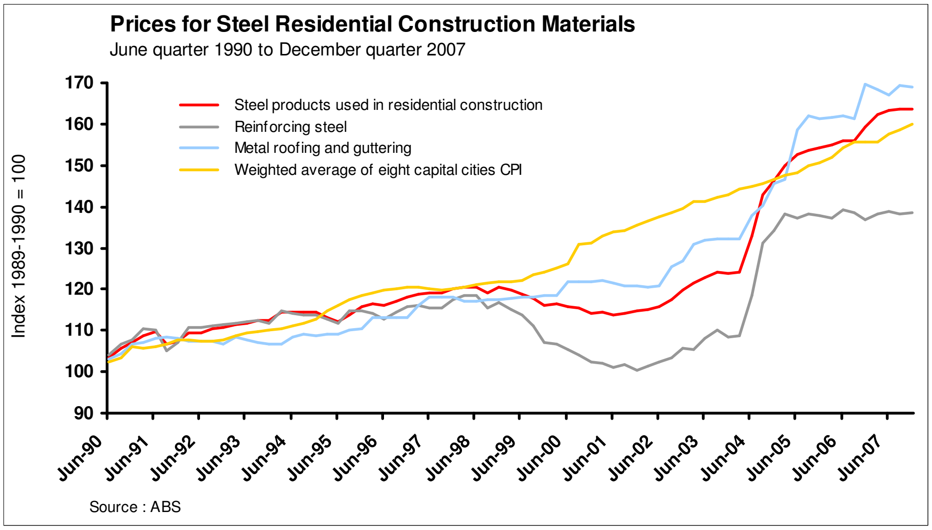








Australian Steel Price Index



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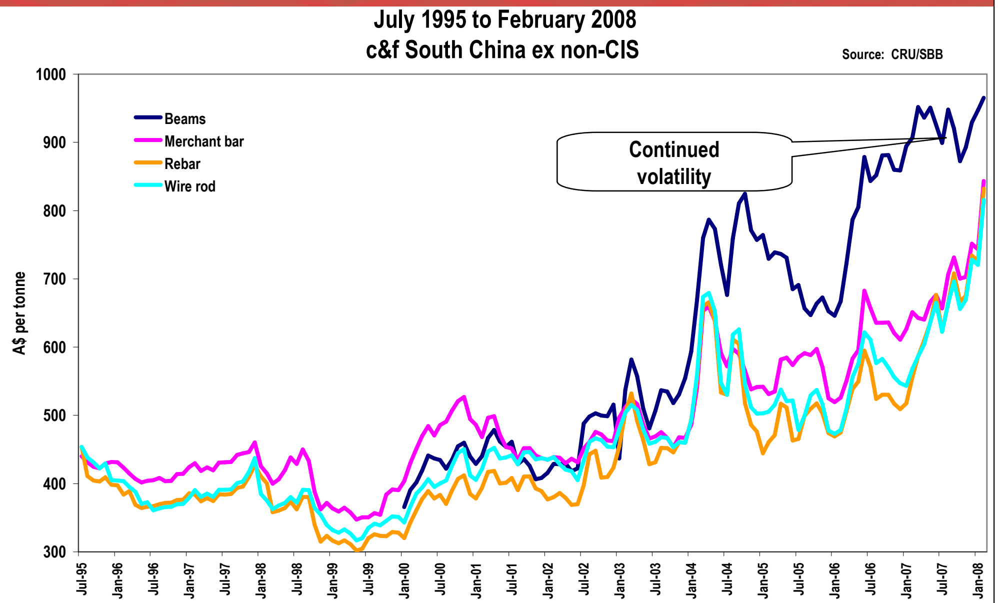
International Long Products Prices



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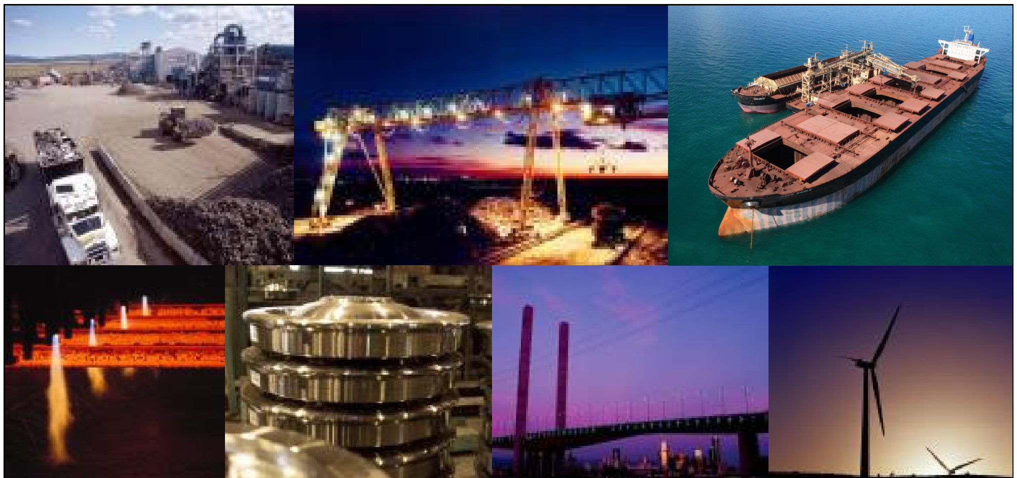
Slide 62



Interim Results Presentation
19 February 2008

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