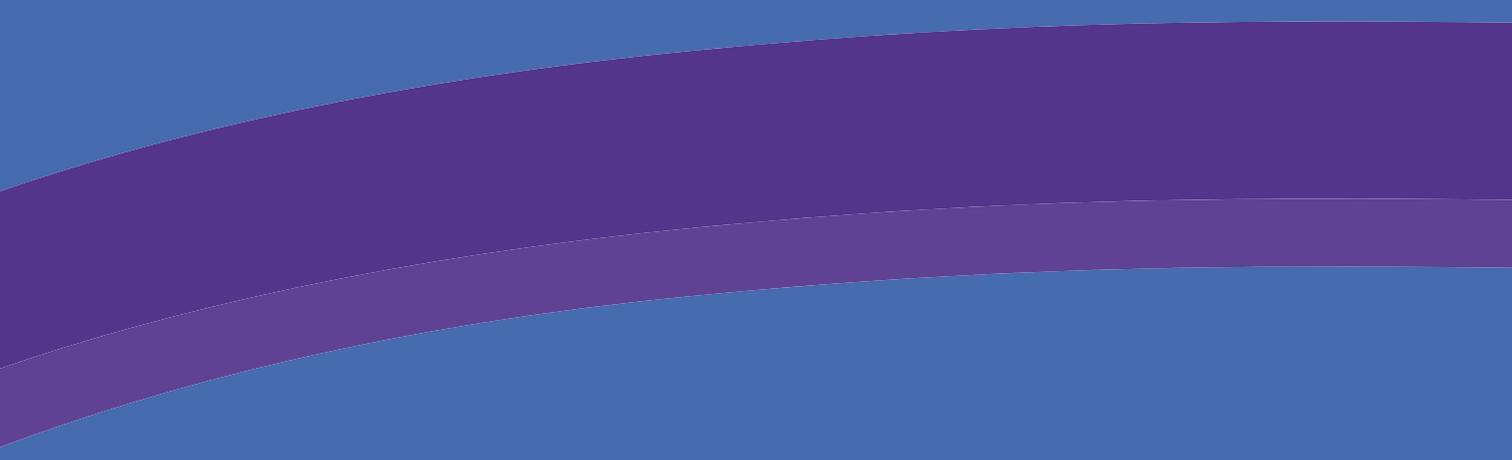
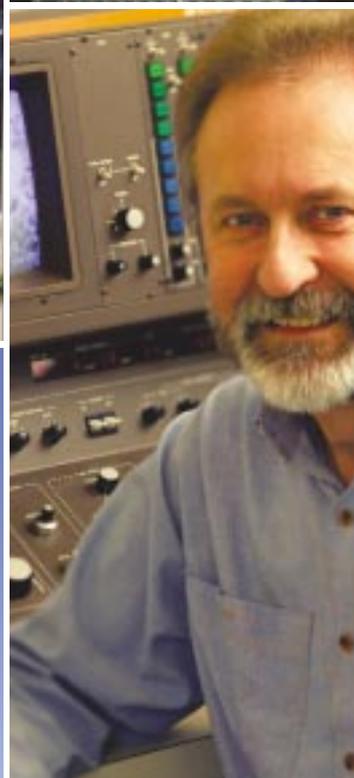


**THE STRENGTH OF OUR
FINANCIAL PERFORMANCE
REFLECTS THE UNDERLYING
CALIBRE OF OUR ASSETS
AND THE EXCEPTIONAL
EFFORTS OF OUR PEOPLE.**







BRIAN KRUGER, Chief Financial Officer, is responsible for finance, treasury, taxation, supply, investor relations, investments, audit and insurance.



MIKE COURTALL, President Asian Building and Manufacturing Markets, is responsible for the performance of our Asian steel businesses.



KATHRYN FAGG, President Market and Logistics Solutions, is responsible for our overall marketing and sales capability, transport and logistics, information systems and the Lysaght building products business in Australia.



NOEL CORNISH, President Australian Building and Manufacturing Markets, is responsible for our coated products businesses in Australia.



IAN CUMMIN, Executive Vice President Human Resources, is responsible for the group management of human resources and safety.



LANCE HOCKRIDGE, President Industrial Markets, is responsible for the performance of the Hot Rolled Products businesses and New Zealand Steel.

SUMMARY OF RESULTS BY BUSINESS SEGMENT

COATED PRODUCTS ASIA

Key businesses

- Cold rolling, metal coating and painting operations in Map Ta Phut, Thailand
- Metal coating and painting operations in Cilegon, Indonesia
- Metal coating and painting operations in Kapar, Malaysia
- Lysaght Asia – 24 roll-forming sites across Asia

Key customers

- Building and construction industries and general manufacturing

The year's highlights

- Record safety performance in all parts of the business
- Annual coating production records in Thailand, Malaysia and Indonesia
- Opened two new roll-forming facilities in China
- Plans announced to build a new metallic coating and painting facility in Vietnam
- Lysaght Asia continued to develop building solutions including Pre-Engineered Buildings (PEBs), SMARTRUSS™ roof frames and POWERDEK™ structural decking
- Doubled painting capacity in Indonesia
- Acquired the balance of Indonesian metallic coating business
- Roll-out of integrated business system in Thailand
- All steel operating sites achieved ISO 14001 environmental certification

COATED PRODUCTS AUSTRALIA

Key businesses

- Hot rolling, metal coating and painting operations in Western Port, Victoria, Australia
- Metal coating and painting operations in Springhill, Port Kembla, New South Wales, Australia
- Packaging Products in Port Kembla, New South Wales, Australia
- Service centre network – seven sites across Australia
- Lysaght Australia – 18 roll-forming sites across Australia

Key customers

- Building, construction, automotive and packaging industries and whitegoods and general manufacturers

The year's highlights

- Record safety performance in all parts of the business
- Springhill Works and Packaging Products (Port Kembla) achieved annual production and despatch records
- Western Port increased metallic coating and painting production through process improvements and upgraded equipment
- Two new major Lysaght roll-forming sites commenced operations in Victoria and Western Australia
- Successful launch of new COLORBOND® steel colour range
- Initiated moves to establish a state-of-the-art COLORBOND® steel centre in western Sydney to service Australia's largest housing growth corridor
- New Western Port five-year Environment Improvement Plan
- All steel production sites achieved ISO 14001 environmental certification

HOT ROLLED PRODUCTS

Key businesses

- Port Kembla Steelworks in New South Wales, Australia
- 50% interest in North Star BHP Steel in Ohio, USA
- 47.5% interest in US-based Castrip LLC

Key customers

- Engineering, construction, mining and manufacturing industries and export customers who re-roll our steel

The year's highlights

- Record safety performances at Port Kembla Steelworks and in the USA
- Record delivery performance from Port Kembla Steelworks
- Record raw steel production of 5.049 million tonnes
- North Star BHP Steel rated the No. 1 flat steel producer in the USA by the Jacobson survey
- Launch of XLER® range of plate and hot rolled coil products
- Port Kembla Sinter Machine Emission Reduction Project complete
- Increased environmental focus with launch of five-year Environment Improvement Plan for Port Kembla operations
- All steel operating sites achieved ISO 14001 environmental certification

NEW ZEALAND STEEL

Key businesses

- Integrated steelworks at Glenbrook near Auckland, New Zealand

Key customers

- Building and construction industry, roll-formers and manufacturing industries

The year's highlights

- Record safety performance across New Zealand operations
- Record annual delivery performance
- Record raw steel production of 0.62 million tonnes
- Approval to upgrade metallic coating plant to produce an extra 24,000 tpa
- Achieved ISO 14001 environmental certification

COATED PRODUCTS ASIA

“Asia is the Company’s core growth geography. Our unrivalled network of businesses across the region provides a platform for further growth.”

Mike Courtnall

HOW WE PERFORMED

SUMMARY OF FINANCIAL PERFORMANCE	A\$ MILLION	
	2003	2002
Sales Revenue	569	530
EBITDA	109	96
EBIT	84	71
Capex	36	22
Net Operating Assets (pre tax)	404	437
Return on Net Assets (pre tax) ¹	18.9%	15.2%

¹ Return on Net Assets is defined as EBIT/average monthly Net Operating Assets.

The performance of Coated Products Asia has improved year-on-year for the past four years and, in 2002/03, contributed \$84 million in earnings before interest and tax.

Our employees led the way in safety. At 30 June 2003, the 1,800 employees at our Asian businesses had reached 5 million hours without a single lost time injury.

Across all of our businesses in Asia we did not have a single lost time injury during the past 12 months.

Asia is the Company’s core growth geography. We have been operating businesses here for over 30 years and our businesses in this region are dynamic, performing well and have tremendous potential for growth.

In March 2003, two new roll-forming operations were opened in China, at Langfang near Beijing and in the western city of Chengdu. These businesses are now fully operational and are fulfilling the needs of our customers in north-east and central China.

In August 2003, we announced a capital investment of \$160 million to develop a metallic coating and painting facility in Vietnam. Production will come on stream in 2006.

In Indonesia, we acquired the shareholding of our partner to move to 100 per cent ownership of our coating business and continued to upgrade its paint line to double production capacity. This project is scheduled to come on stream by late 2003.

We have a unique marketing footprint in Asia which allows us to meet our customers’ needs. No other steel

company can match our network of coating and painting lines and roll-forming facilities or our array of in-market sales offices, which provide our platform for growth.

DELIVERING VALUE TO OUR CUSTOMERS

Over the years, the Company has developed a reputation with customers as a quality producer of flat steel products and building solutions throughout Asia and the Pacific. The basis for our success in this region is our range of value-added products matched to our customers’ needs. These are coated and painted steels processed into products for the building and construction industry. They include some well-known brands in the region – many with performance characteristics particularly suited to local conditions.

For example, Clean COLORBOND® steel has been developed for our Asian markets and is especially resistant to staining and discolouration in tropical conditions. Additionally, we have developed a range of local brands – for example, in Indonesia we have developed PELANGI®, ABADI®, GEMILANG® and ANCOR™ steel – all targeted at different segments in the building and construction industries.

During 2003, Lysaght Thailand launched the SANTA™ brand of roll-formed products, designed for the hardware distribution channel. We have also continued to progress the transformation of our Lysaght businesses, by evolving from suppliers of components to suppliers of complete building solutions. To this end, the Lysaght businesses in the region have focused on developing and delivering innovative building supply packages to increasingly discerning customers in 12 countries.

During the year, we extended the sales of our Pre-Engineered Buildings throughout China and South East Asia, commissioned SMARTRUSS™ equipment for the manufacture of lightweight roof frames in Thailand, Malaysia and Indonesia, and launched our own proprietary POWERDEK™ structural decking products in South East Asia.

COATED PRODUCTS AUSTRALIA

“Our customers have benefited from a range of product innovations.”

Noel Cornish



HOW WE PERFORMED

SUMMARY OF FINANCIAL PERFORMANCE	A\$ MILLION	
	2003	2002
Sales Revenue	2,728	2,359
EBITDA	202	138
EBIT	119	57
Capex	51	53
Net Operating Assets (pre tax)	1,208	1,219
Return on Net Assets (pre tax) ¹	9.3%	4.7%

¹ Return on Net Assets is defined as EBIT/average monthly Net Operating Assets.

Our Australian Coated Products businesses delivered a strong performance in 2002/03, contributing \$119 million in earnings before interest and tax.

DELIVERING VALUE TO OUR CUSTOMERS

We market a full range of steel material solutions to the Australian building and construction industry, with products available for most major building applications. Our strong market position is supported by our portfolio of well-established and highly recognised brands and targeted service packages.

For example, in Australia, COLORBOND® steel is one of the most recognised industrial brands, with a high level of awareness at both industry and end-consumer levels. This year, we launched a range of new fashion colours to complement the existing colour palette.

Similarly, the LYSAGHT® brand name is well recognised in the building products market and this has enabled

our Lysaght Australia business to secure a strong position in its targeted segments of the commercial and residential building, fabrication and construction markets. During the year, Lysaght Australia commenced operations at two new major roll-forming sites, at Lyndhurst in Victoria and Forrestfield in Western Australia. Our expanded and upgraded facilities will help us provide even better service to our customers.

The Company has established itself as a leading supplier of steel to the Australian automotive industry. We have achieved this through maintaining long-standing relationships with major car companies, demonstrating a commitment to new product development and enjoying a close developmental alliance with the Australian automotive parts manufacturing industry.

Within the manufacturing and packaging industry, we are well-positioned, having developed close ties with many of Australia's major manufacturers. Most of the popular laundry and kitchen appliances and domestic hot water heaters manufactured in Australia use our pre-painted steel for their doors and wrappers and incorporate other steel products as key components.

We have also established strong relationships with manufacturers of steel can components and other associated products. These are typically used in the packaging of food, pet food and general, industrial and aerosol products.

BELOW LEFT: STEEL WATER TANKS ENABLE HOME OWNERS TO STORE AND RECYCLE RAINWATER FOR DOMESTIC USE
BELOW RIGHT: THE ROZAK HOUSE, NORTHERN TERRITORY, AUSTRALIA





“With record production levels, profitability and safety performance, our steelmaking businesses – Port Kembla Steelworks, North Star BHP Steel and New Zealand Steel – have had an outstanding year.”

Lance Hockridge



HOT ROLLED PRODUCTS



HOW WE PERFORMED

SUMMARY OF FINANCIAL PERFORMANCE	A\$ MILLION	
	2003	2002
Sales Revenue ¹	2,626	2,122
EBITDA ²	591	207
EBIT ²	471	97
Capex	83	80
Net Operating Assets (pre tax)	1,840	1,850
Return on Net Assets (pre tax) ³	25.7%	5.3%

¹ Excludes North Star BHP Steel joint venture revenue.

² Includes 50% share of Net Profit from North Star BHP Steel of \$69m in 2003 (\$2m profit in 2002).

³ Return on Net Assets is defined as EBIT/average monthly Net Operating Assets.

Our Hot Rolled Products businesses contributed \$471 million in earnings before interest and tax in 2002/03, up 386 per cent from \$97 million in the prior year.

We achieved record raw steel production, reflecting better operational performance, higher scrap usage and reduced industrial action at Port Kembla Steelworks.

Our safety record was also excellent, with all areas of business improving their safety performance.

There was increased focus on environmental management and all sites have now achieved ISO 14001 certification. In January, the Port Kembla Five Year Environment Improvement Plan came into effect. This will see the Company engage in a number of important new projects to further reduce emissions, improve water management and add to visual amenity around

the steelworks. During the year, we completed the \$94 million Sinter Machine Emission Reduction Project, which has significantly reduced dust emissions from the Port Kembla plant, and commenced the implementation of new waste gas cleaning technology.

North Star BHP Steel in the USA achieved new levels of production, operational efficiency and profitability. It was rated the number one flat steel producer in the USA in the prestigious Jacobson survey.

DELIVERING VALUE TO OUR CUSTOMERS

We produce a wide range of steel products for Australian and international customers including slab, hot rolled coil and plate. Recently, we launched the new XLERPLATE[®] and XLERCOIL[®] range of branded plate and coil products. These new brand names embrace the strength and reputation of the Company brand, while providing an evolution of benefits for users of plate and coil products.

Our strong domestic market positions are supported by the flexible supply arrangements and technical support we offer our customers, enabling us to differentiate ourselves from importers.

In export markets, we are working hard at consolidating the position we have gained through our long-standing customer relationships and we have been successful in building a reputation as a supplier of high-quality steel products for industrial markets.



PORT KEMBLA STEELWORKS AT DUSK

NEW ZEALAND STEEL



HOW WE PERFORMED

SUMMARY OF FINANCIAL PERFORMANCE	A\$ MILLION	
	2003	2002
Sales Revenue	549	467
EBITDA	81	43
EBIT	44	12
Capex	10	23
Net Operating Assets (pre tax)	423	450
Return on Net Assets (pre tax) ¹	9.9%	2.7%

¹ Return on Net Assets is defined as EBIT/average monthly Net Operating Assets.

New Zealand Steel contributed \$44 million in earnings before interest and tax in 2002/03.

Raw steel production was at record levels, reflecting better operational performance and the completion of the previous year's No. 2 Melter reline. During the year, the decision was made to increase our existing metal coating capacity by 24,000 tonnes per annum.

A markedly improved safety performance was delivered, with the business achieving record low lost time injury frequency rates. Environmental certification to the ISO 14001 standard was achieved across New Zealand Steel.

DELIVERING VALUE TO OUR CUSTOMERS

New Zealand Steel's strong domestic market position is supported by an approach whereby solutions are tailored to meet specific demands of customers and markets. This approach is backed by technical support capabilities and well-established brands such as COLORSTEEL® and ZINCALUME® steel.

In export markets, New Zealand Steel is building on the strong base of long-standing customer relationships and has a reputation for predictable product quality and the technical capability to meet a wide range of international standards.



IN NEW ZEALAND, COLORSTEEL®, ZINCALUME® AND GALVSTEEL™ ARE MARKET LEADING BRANDS