

5 September 2012

Mr John Brasic  
Director  
Australian Customs  
5 Constitution Ave  
Canberra ACT 2601

Dear John and Lydia,

Following our recent meeting to discuss the HRC dumping investigation we committed to provide you with details on:

1. ATM's calculations for the gap between international benchmark steel prices and international steelmaking raw material costs
2. ATM's view on an appropriate approach for determining a USP

1. The attached [Confidential] spreadsheet contains a copy of the data behind the chart previously provided highlighting compression internationally between steelmaking raw materials and benchmark prices. In the case of raw materials we have used a loading factor to convert the raw materials into a cost per tonne of steel. Please feel free to contact us should you require any further information on this.

2. ATM's view in relation to an appropriate methodology for determining a USP is the use of [Confidential] steel prices combined with an adjustment to convert those prices into a landed FIS price comparable with the BlueScope Steel price. The recommended methodology is based on SBB HRC Price CFR East Asia + import costs.

In summary the proposed methodology for establishing the A\$ FIS USP is:

SBB HRC Price CFR East Asia + Import Expenses

[Confidential: Detail on Price Formula]

The rationale for the above approach is:

- Pricing is reflective of the market intra Asia price as used by BSL in numerous communications to the market and is the basis for [REDACTED]
- Methodology is transparent and responsive to shifts in market dynamics in a volatile market.
- Approach is unaffected by significant changes in BSL operations over the last 4 years.
- ACS ability to monitor/review

Following are charts we have constructed using the above methodology to construct a Non-Injurious FOB price for Japan for the investigation period. It is apparent from these charts that the overall actual Japanese average FOB prices during the investigation period have exceeded the constructed Japanese NIFOB price as well as the [Confidential] FOB prices on shipments to ATM.

[Confidential Chart: Japanese NIFOB vs FOB shipments to ATM]

[Confidential Chart: Japanese NIFOB vs Japanese export prices]

I will give you a call shortly to discuss whether there is further information ATM can provide that will assist.