

Carbon Steel Materials Performance and Prospects



8 May 2002

UBS Resources Conference

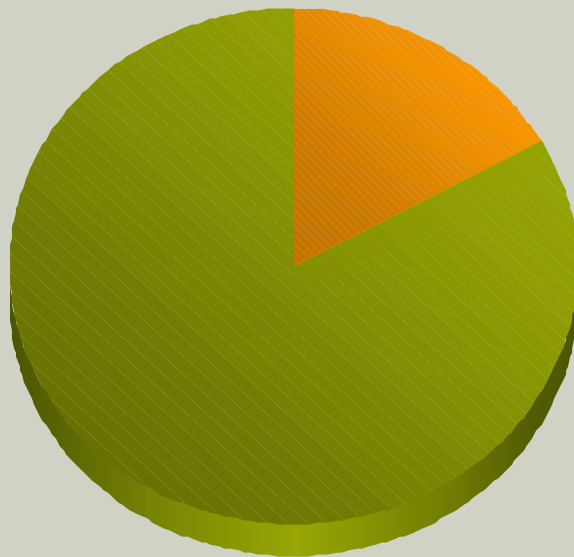
Stefano Giorgini – Vice President & CDO

Carbon Steel Materials



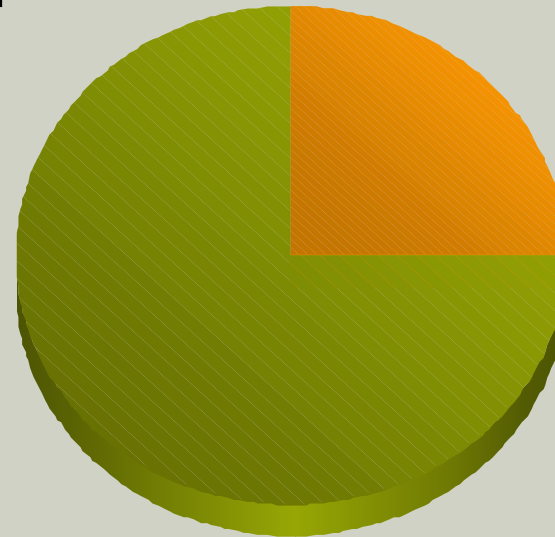
Carbon Steel Materials Contribution 9 months to March 2002

Group Sales
US\$13,176M



CSM
19% = US\$2,492M
22% ex BHPS

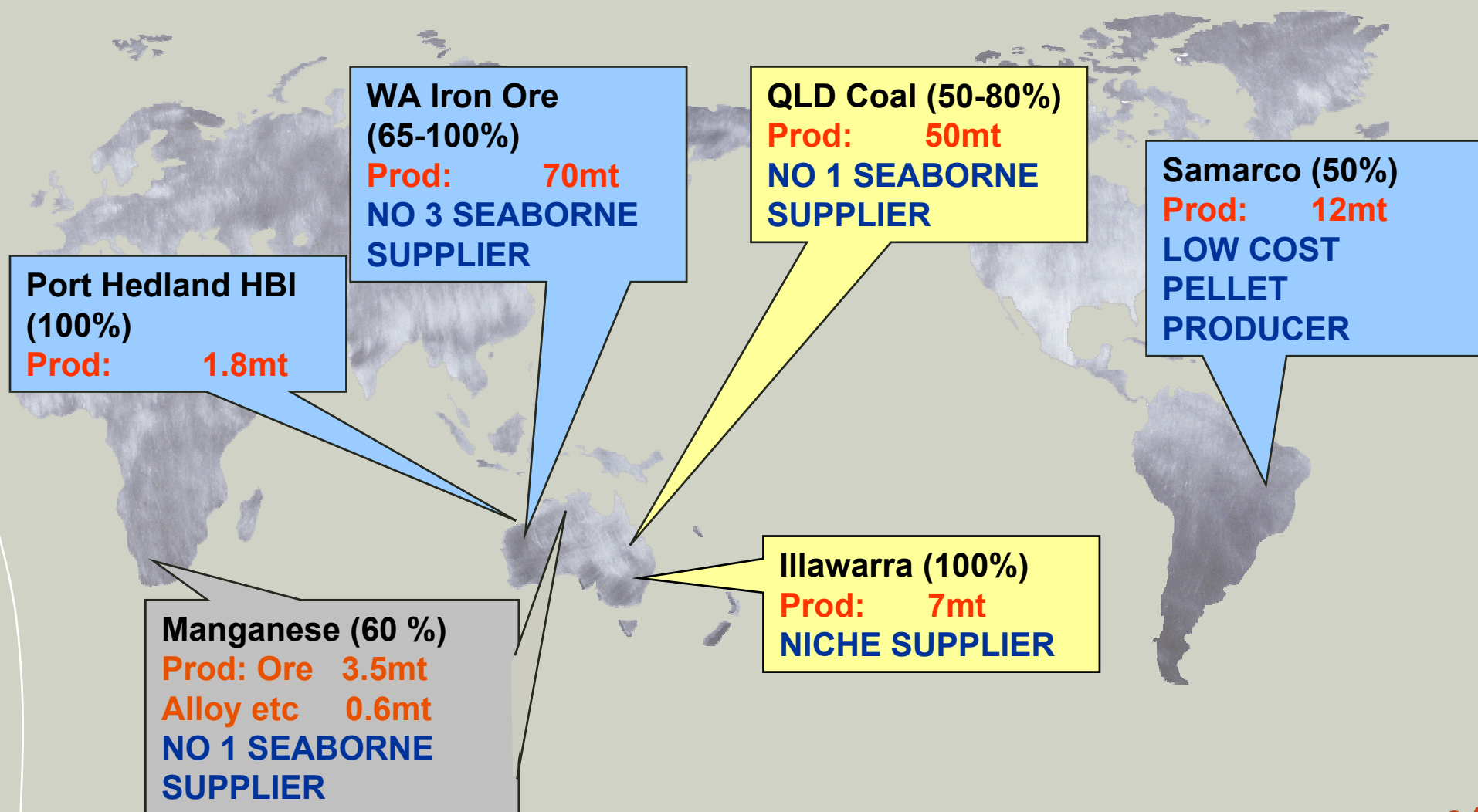
Group EBIT US\$2,412M



CSM
34% = US\$831M
36% ex BHPS

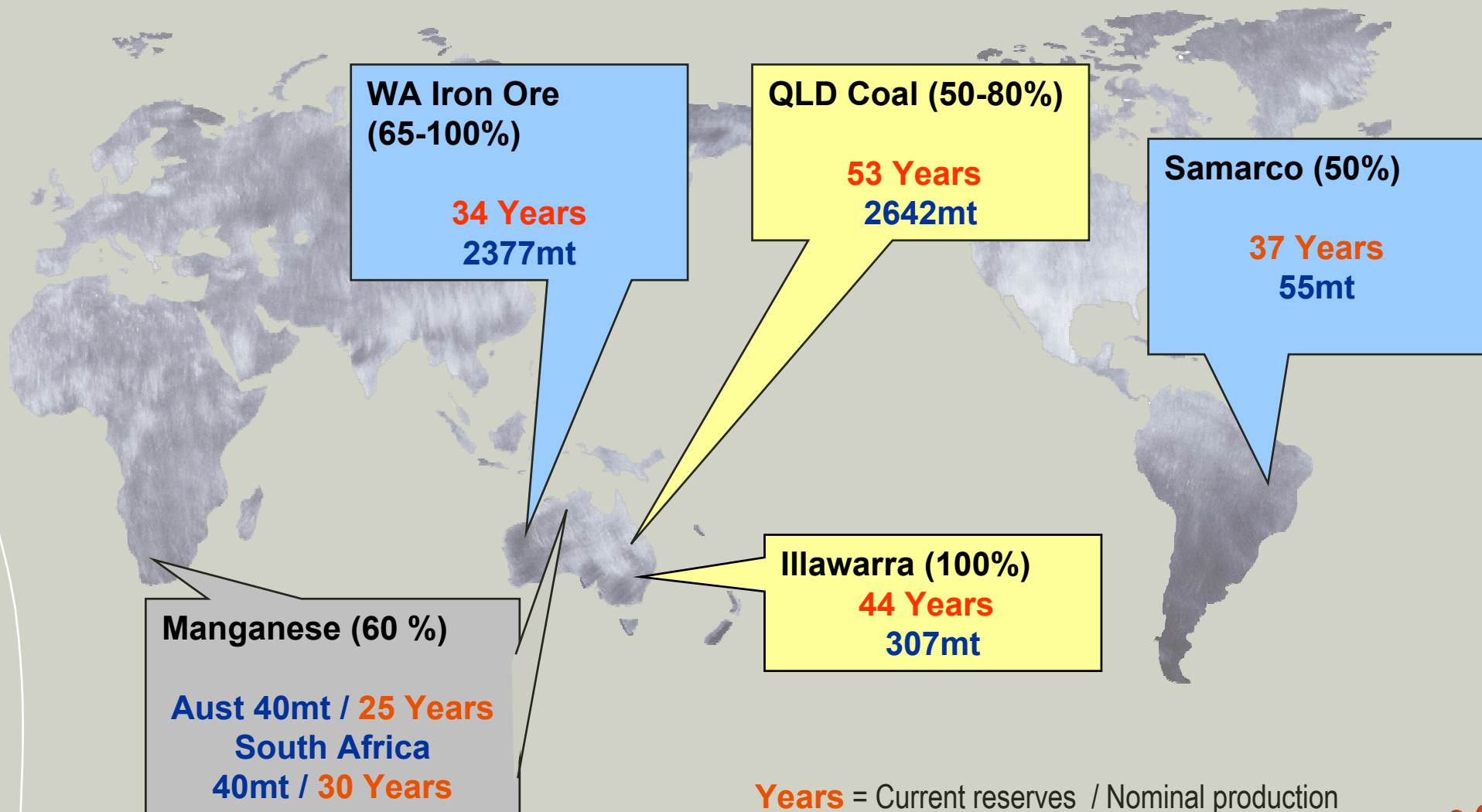
CSM EBIT ROC = 44%

Carbon Steel Materials Assets



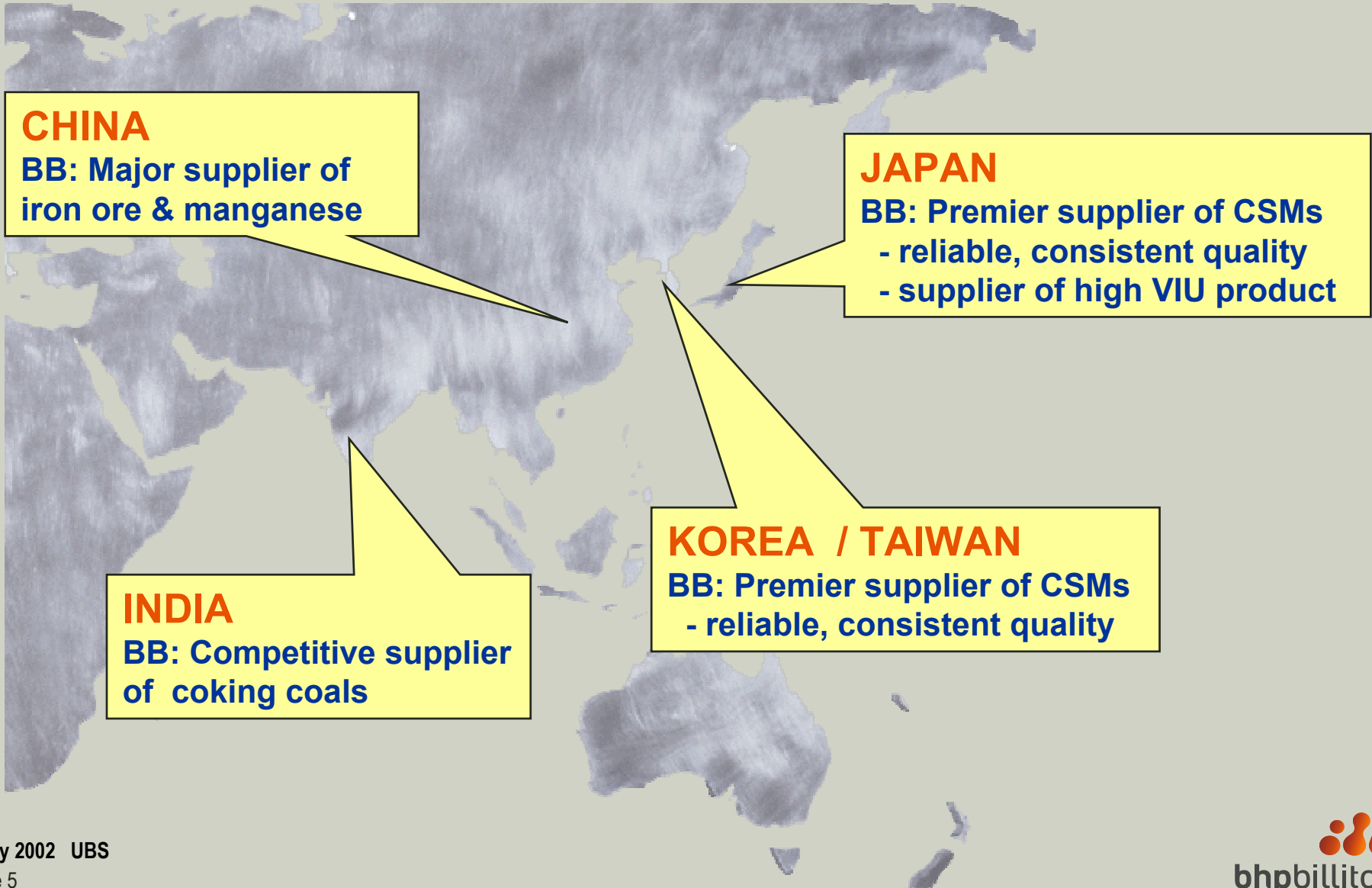
100% nominal production capacity

Carbon Steel Materials Assets



Years = Current reserves / Nominal production
Reserves = 100% Million tonnes

BHPB Marketing Franchise Asia



BHPB Marketing Franchise Europe and South America



A world map with a light blue background. The continents are shown in a darker blue. Two yellow callout boxes with black borders point to specific regions. One callout points to Europe, and the other points to Brazil. The text inside the callouts is in blue and red.

EUROPE

BB: Premium supplier of HQCC
Supplier of manganese
Market for lump ores and pellets

BRAZIL

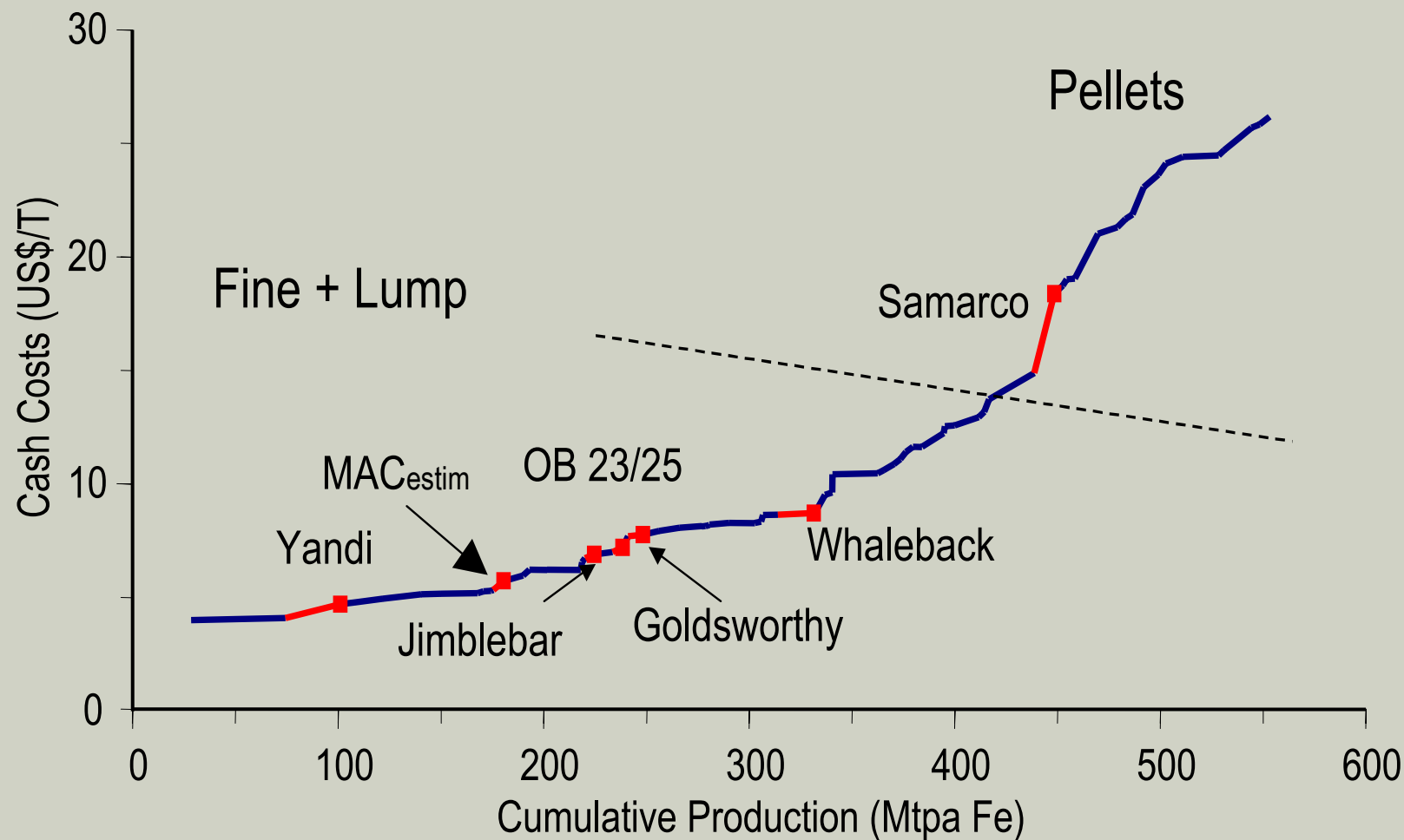
BB: Core supplier of HCC



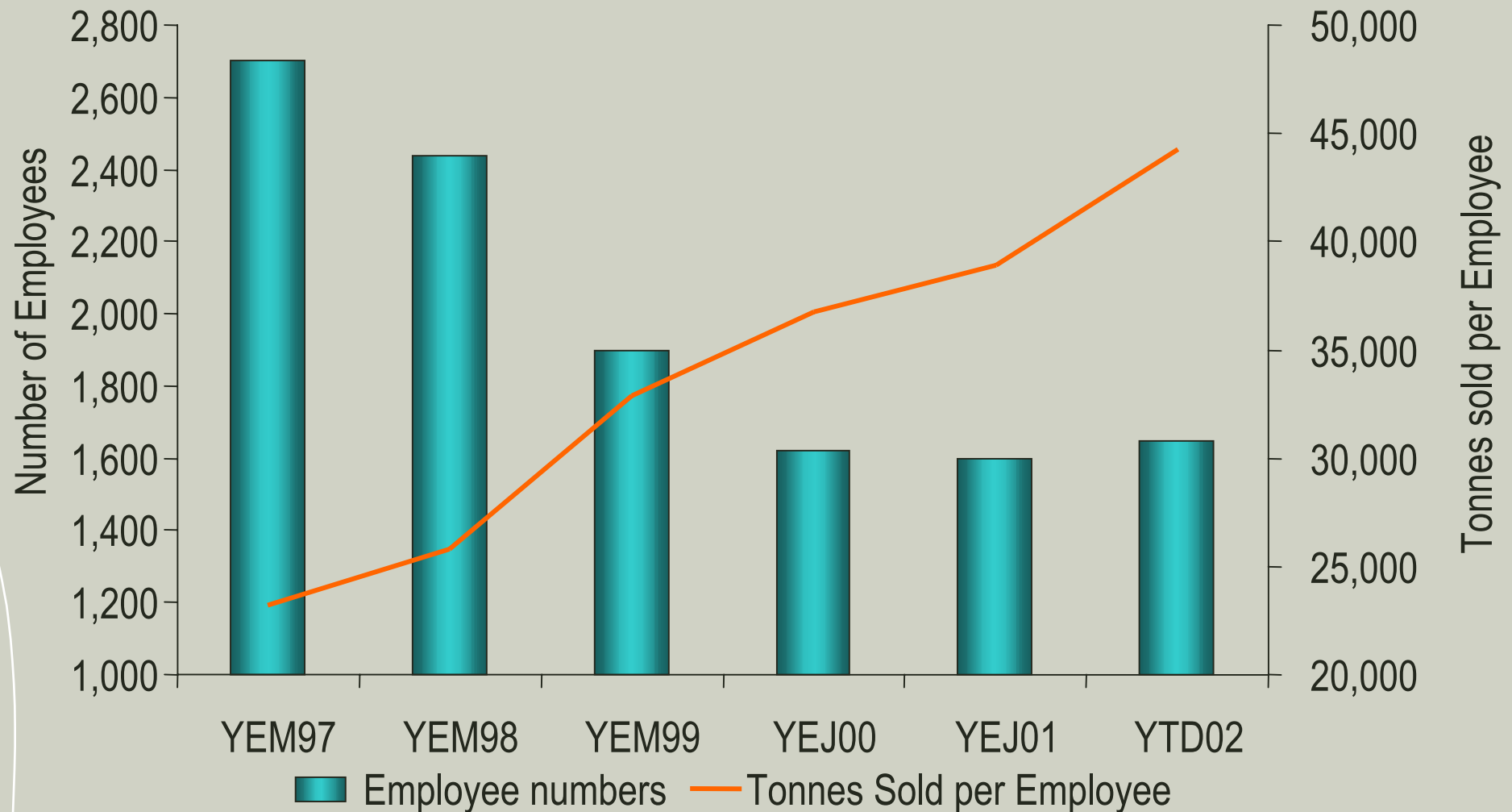
Operating Excellence

WA Iron Ore

Seaborne Iron Ore Cost Curve

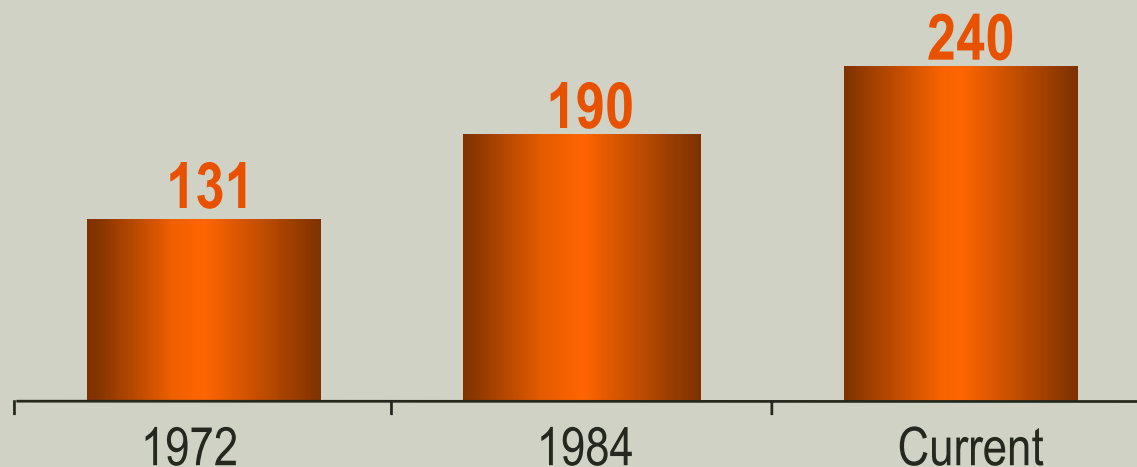


WAIO Improved Productivity

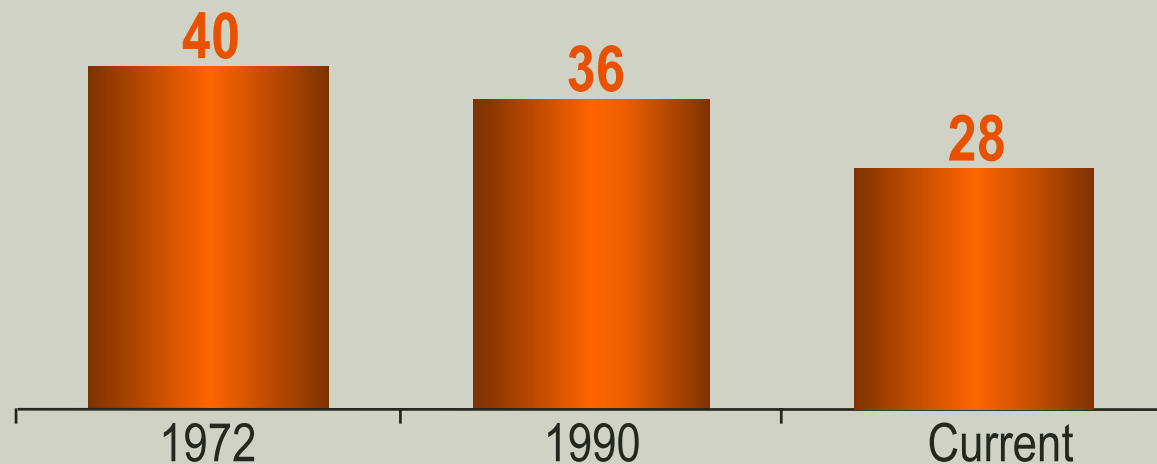


Railroad Operating Improvements

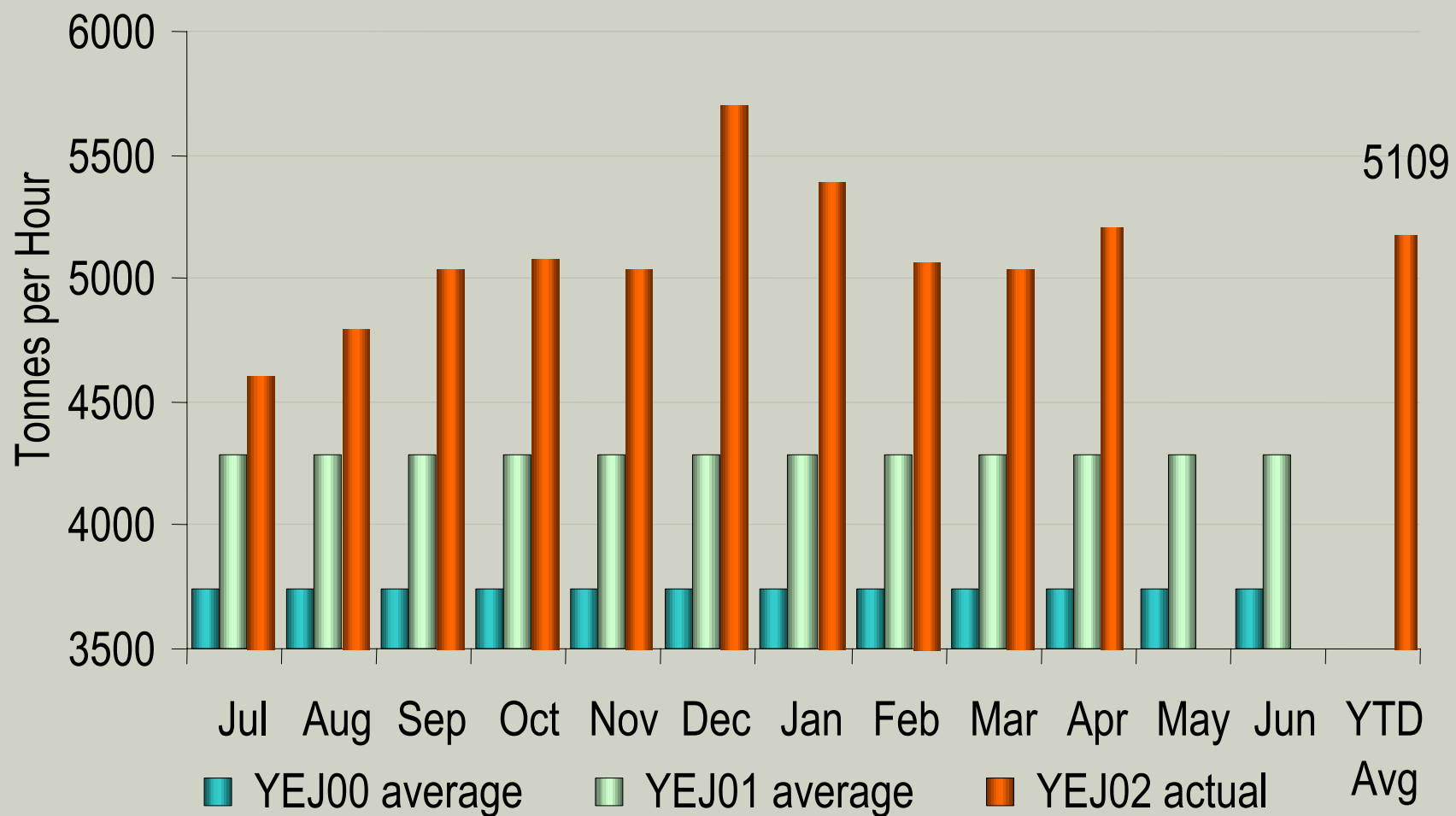
Train
Length
(no of cars)



Train
Cycle
Time
(hours)



Gross Loading Rate – Nelson Point



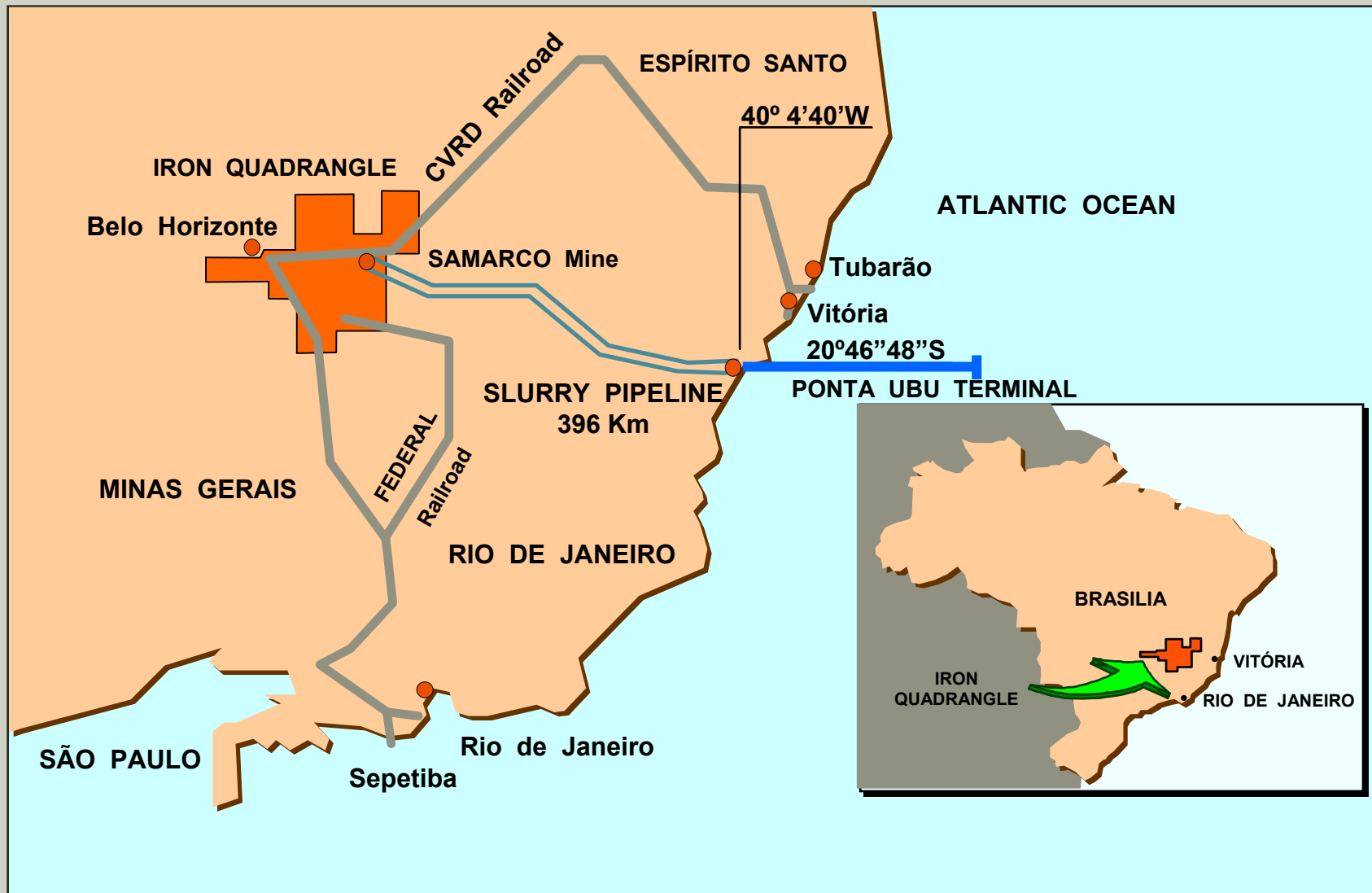


Operating Excellence

WA Iron Ore

Samarco

Samarco



Samarco Improving Productivity





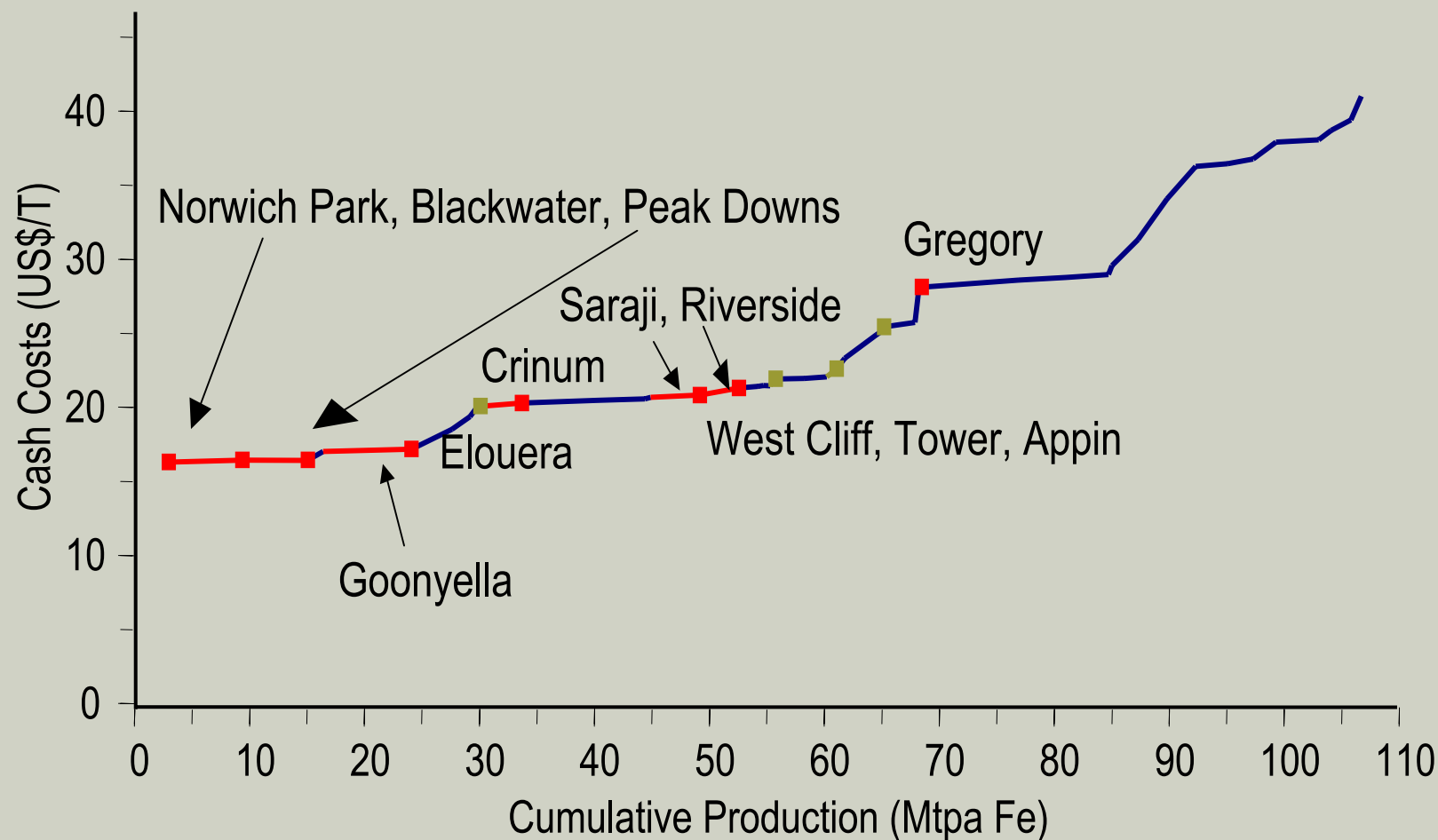
Operating Excellence

WA Iron Ore

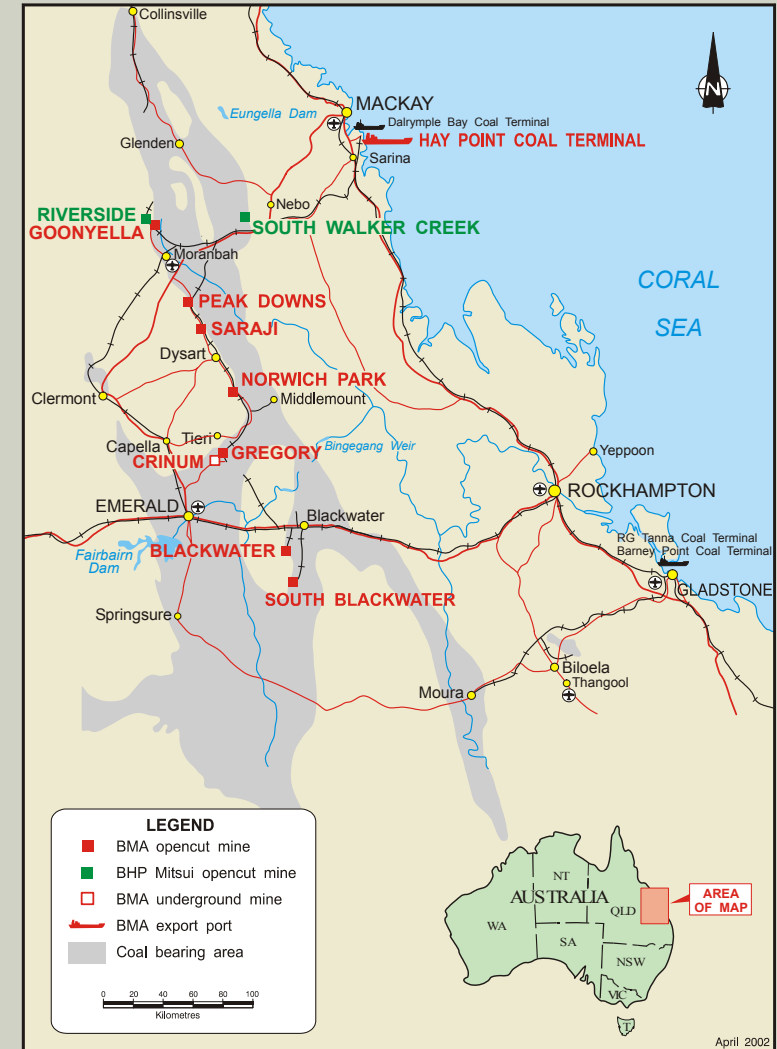
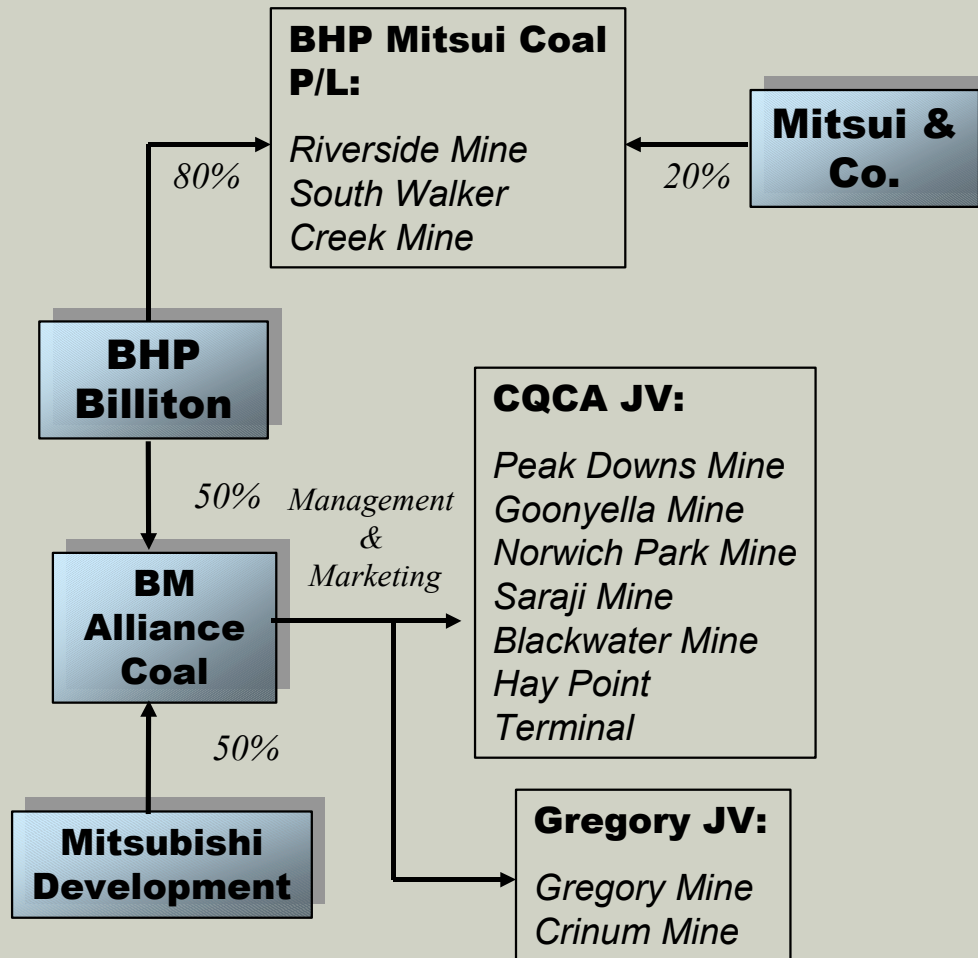
Samarco

Queensland Coal

Seaborne Hard Coking Coal Cost Curve



Queensland Coal Ownership Structure



Queensland Coal Improved Productivity





Operating Excellence

WA Iron Ore

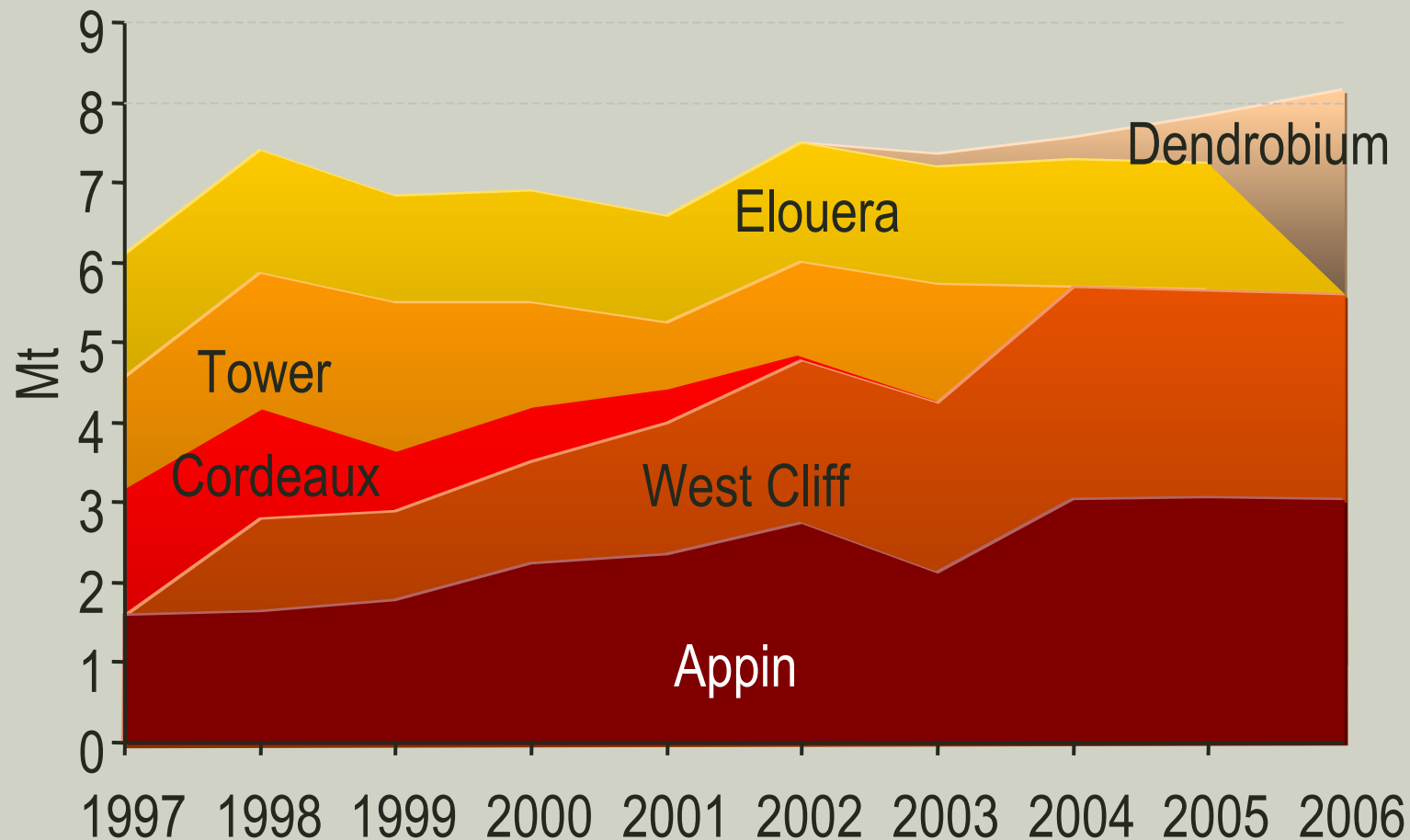
Samarco

Queensland Coal

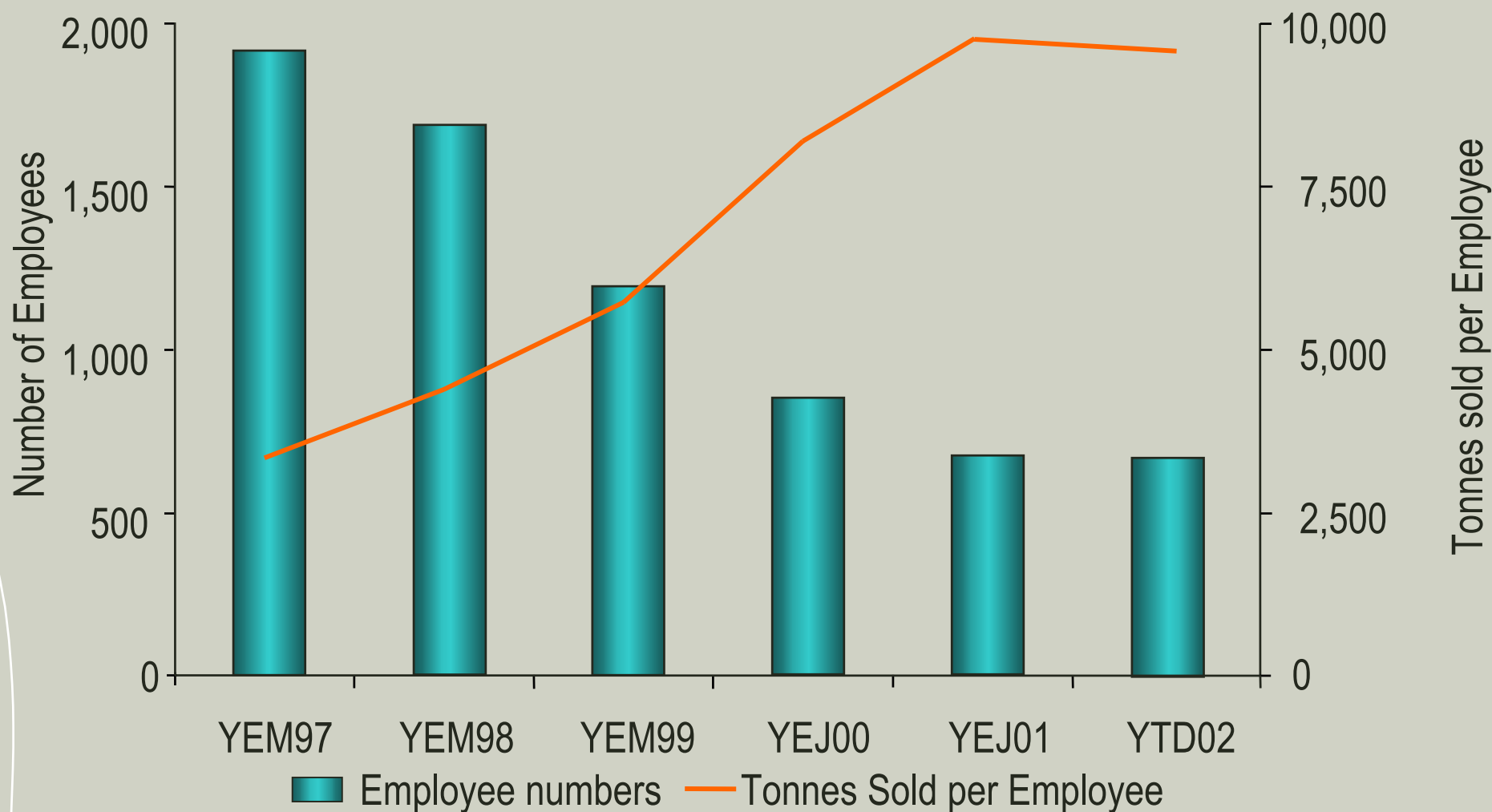
Illawarra

Illawarra

Increasing scale of operations



Illawarra Improved Productivity





Operating Excellence

WA Iron Ore

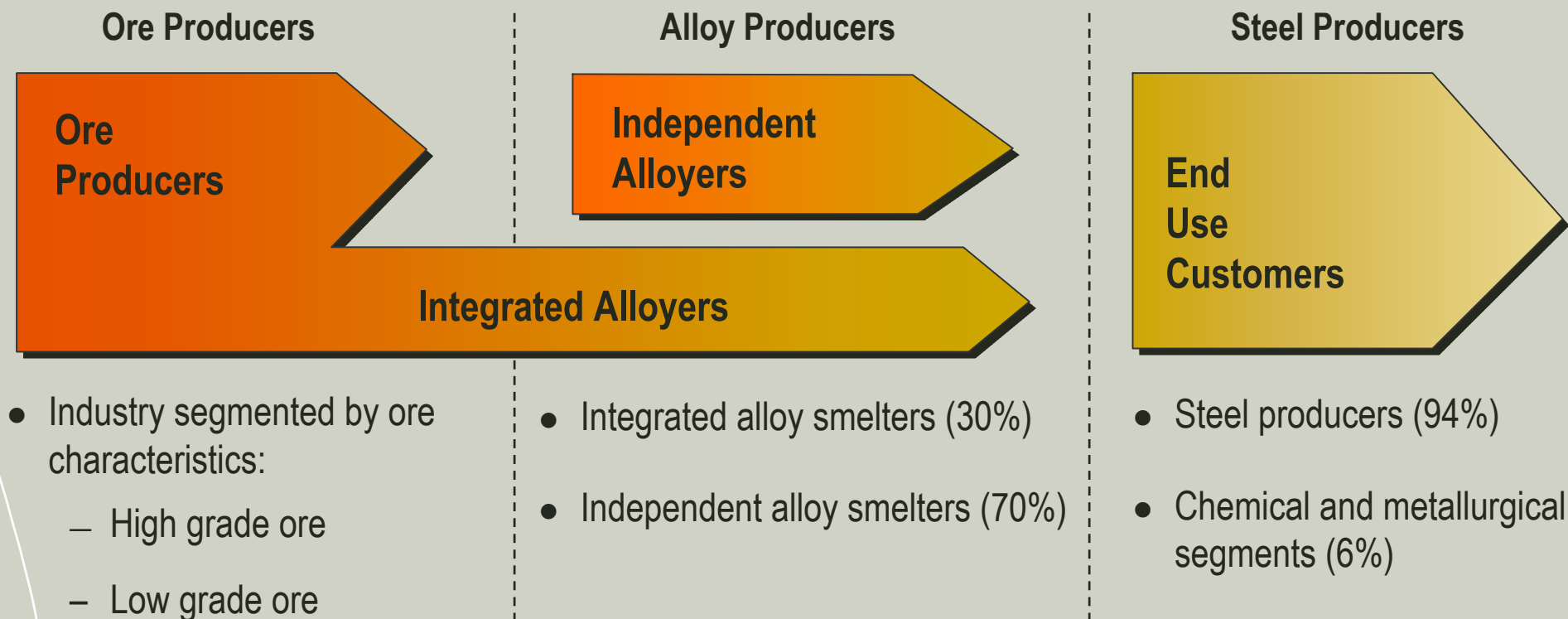
Samarco

Queensland Coal

Illawarra

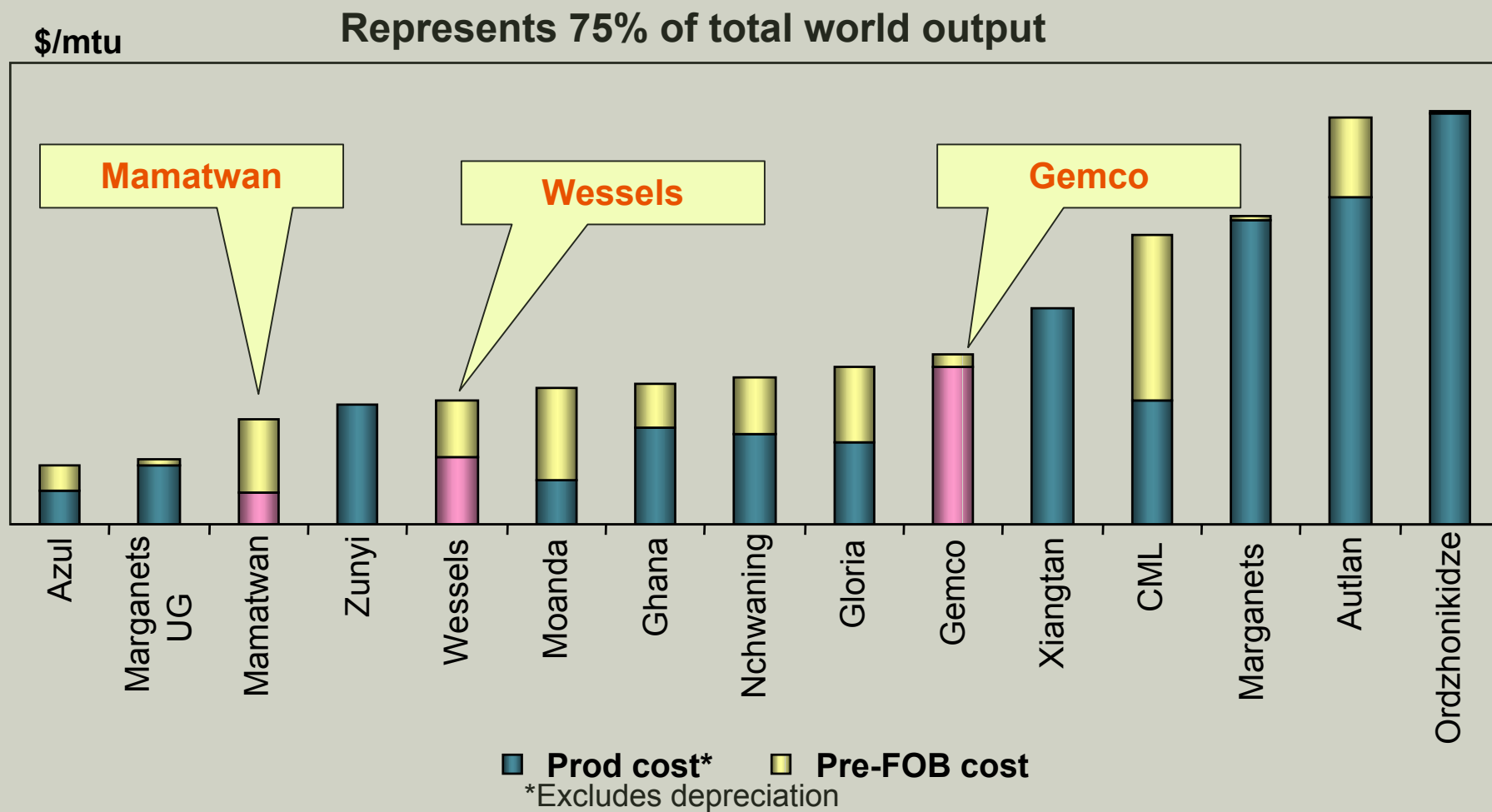
Manganese

Manganese industry structure



samancor

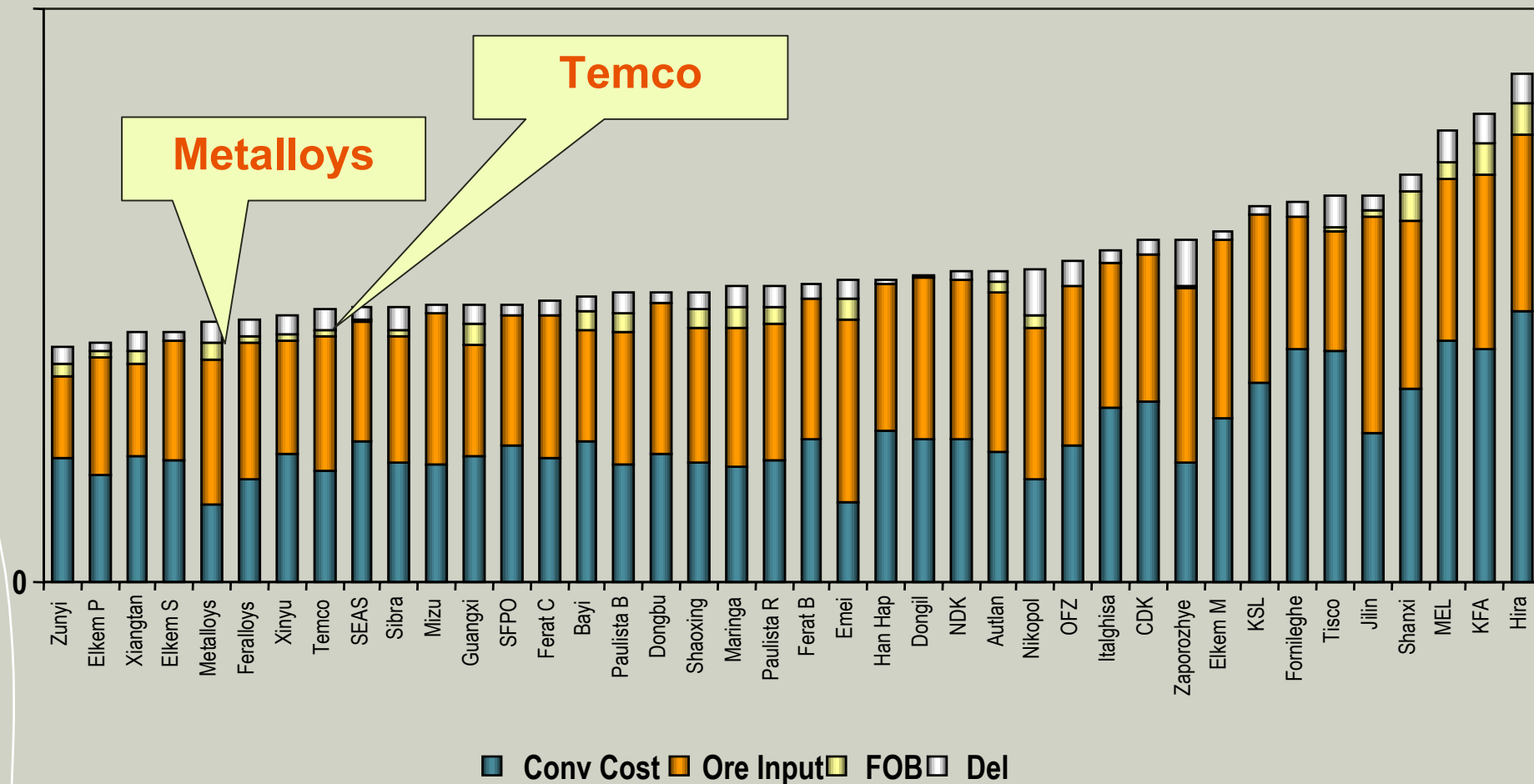
Manganese Ore - Cash Cost Curve



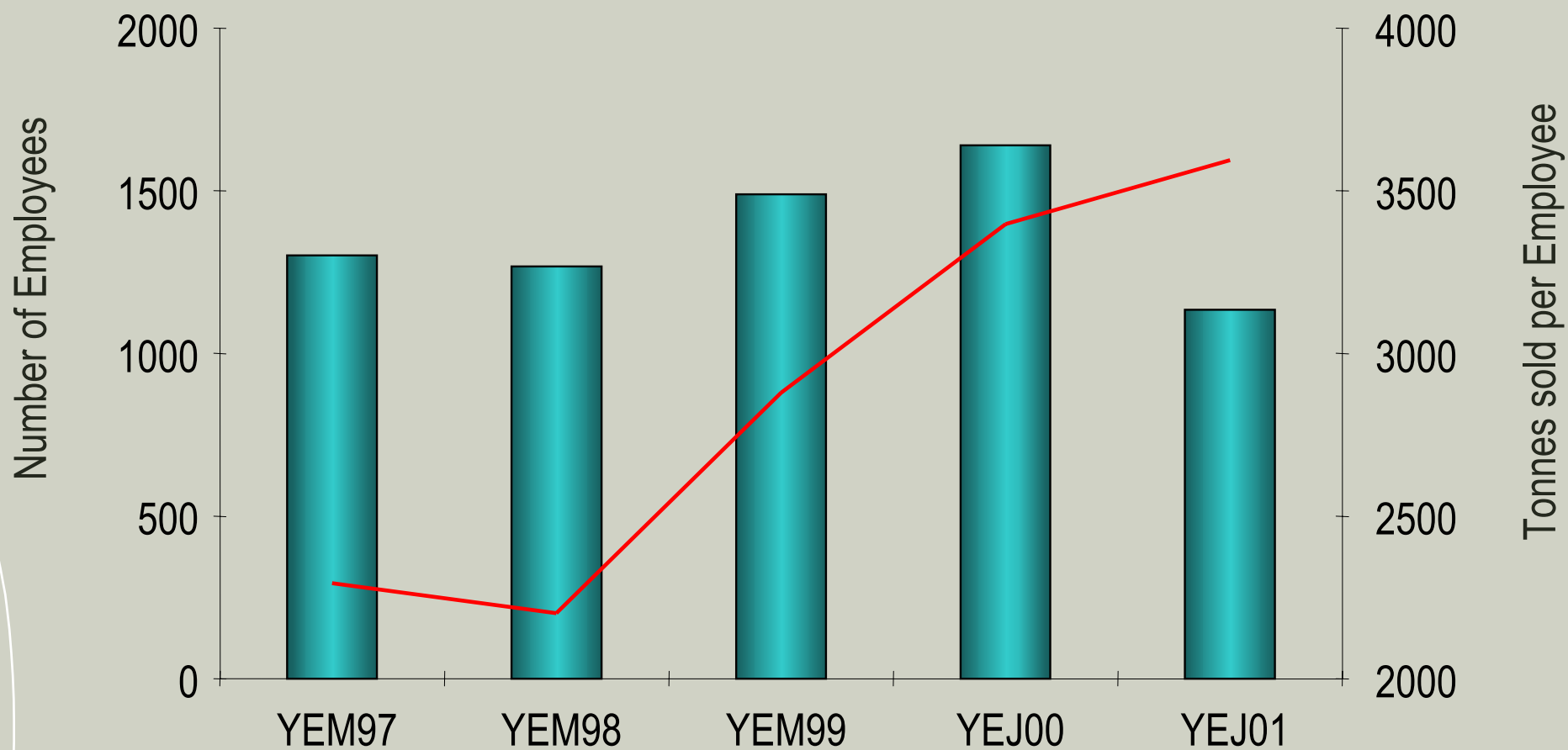
Manganese Ferro Alloy - HCFeMn Cash Cost Curve

78% Mn Equivalent

\$/t



Manganese Improved Productivity



Employee Numbers — Tonnes Sold / Employee



Business Growth & Product Development

Project Pipeline

PREFEASIBILITY

Project

PACE Stage 2

Yandi Long Term
Optimisation

Blackwater -Central
processing

Westcliff Longwall

FEASIBILITY

Project

Universal
Dragline

Goonyella
Underground

EXECUTION

Project Tonnage(Mtpa)

MAC 15

PACE 81

South Blackwater
Integration 13.5

Yandi Lump 4

Dendrobium 5

Samarco Roller

Press 2

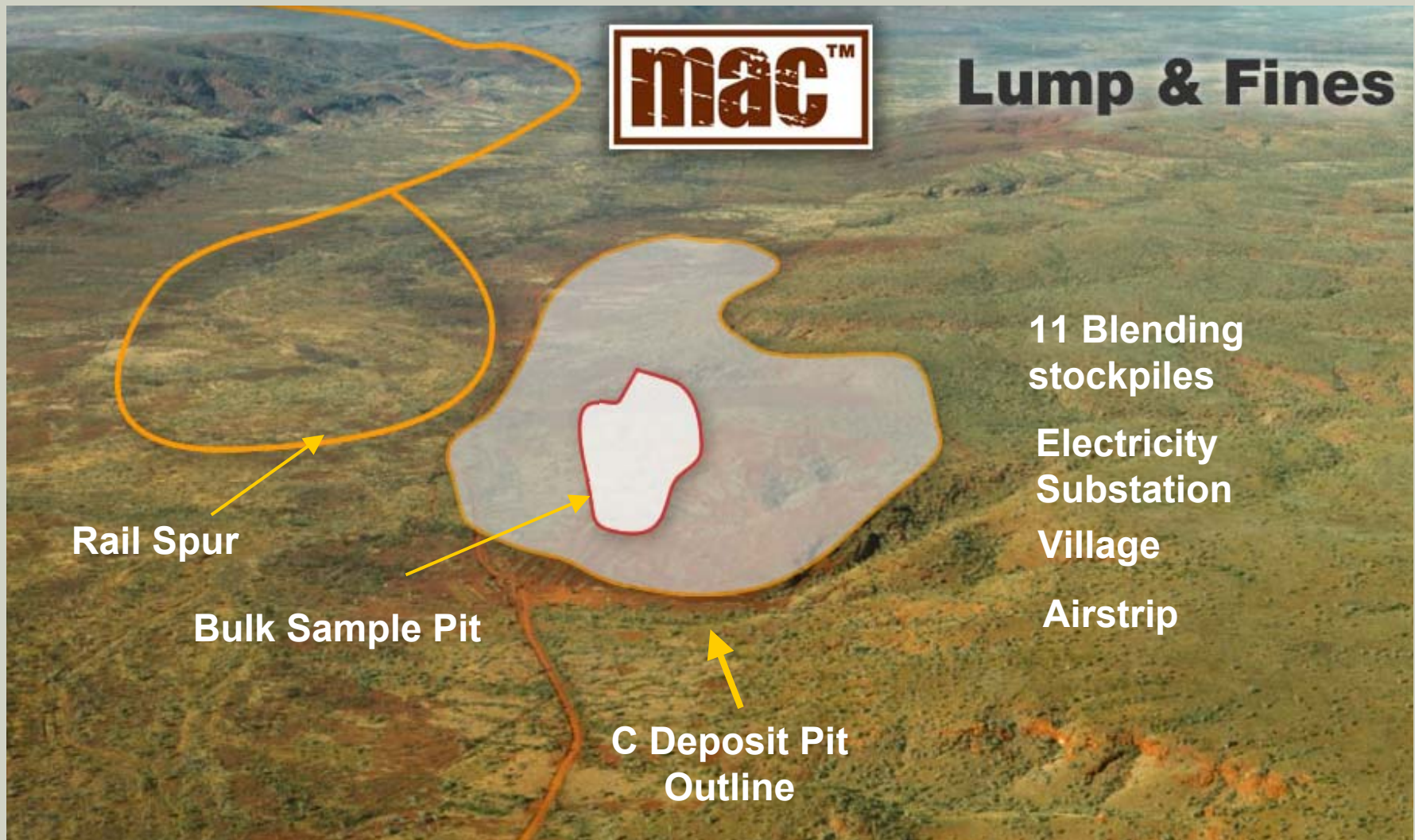
Yandi Lump



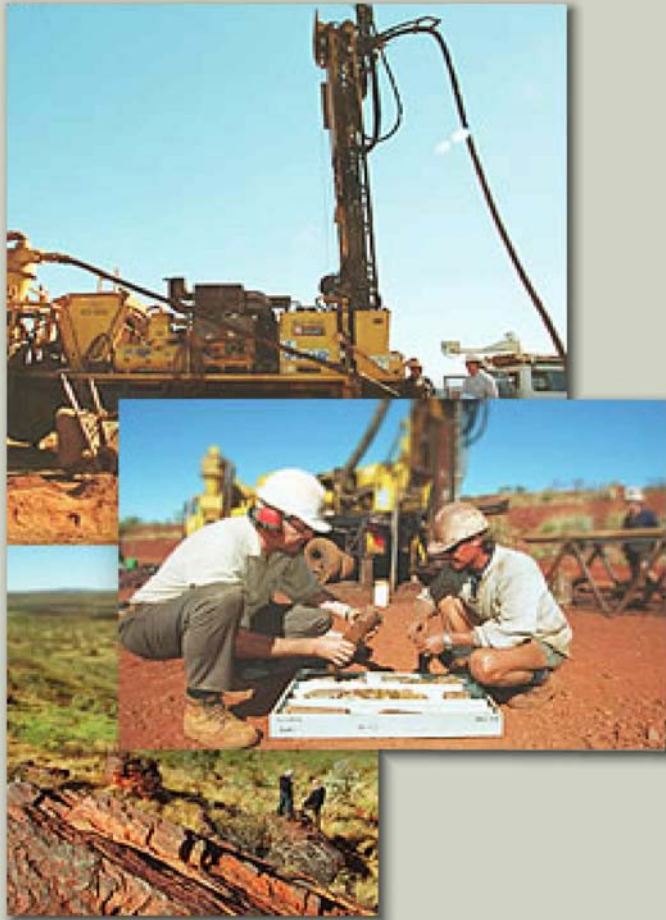
Iron Ore

- Low capital, high value project
- Modification of No. 2 Ore Handling Plant
- Additional 4Mtpa Lump Product
- Customer LOI's in place
- Commission July 2002

Mining Area C

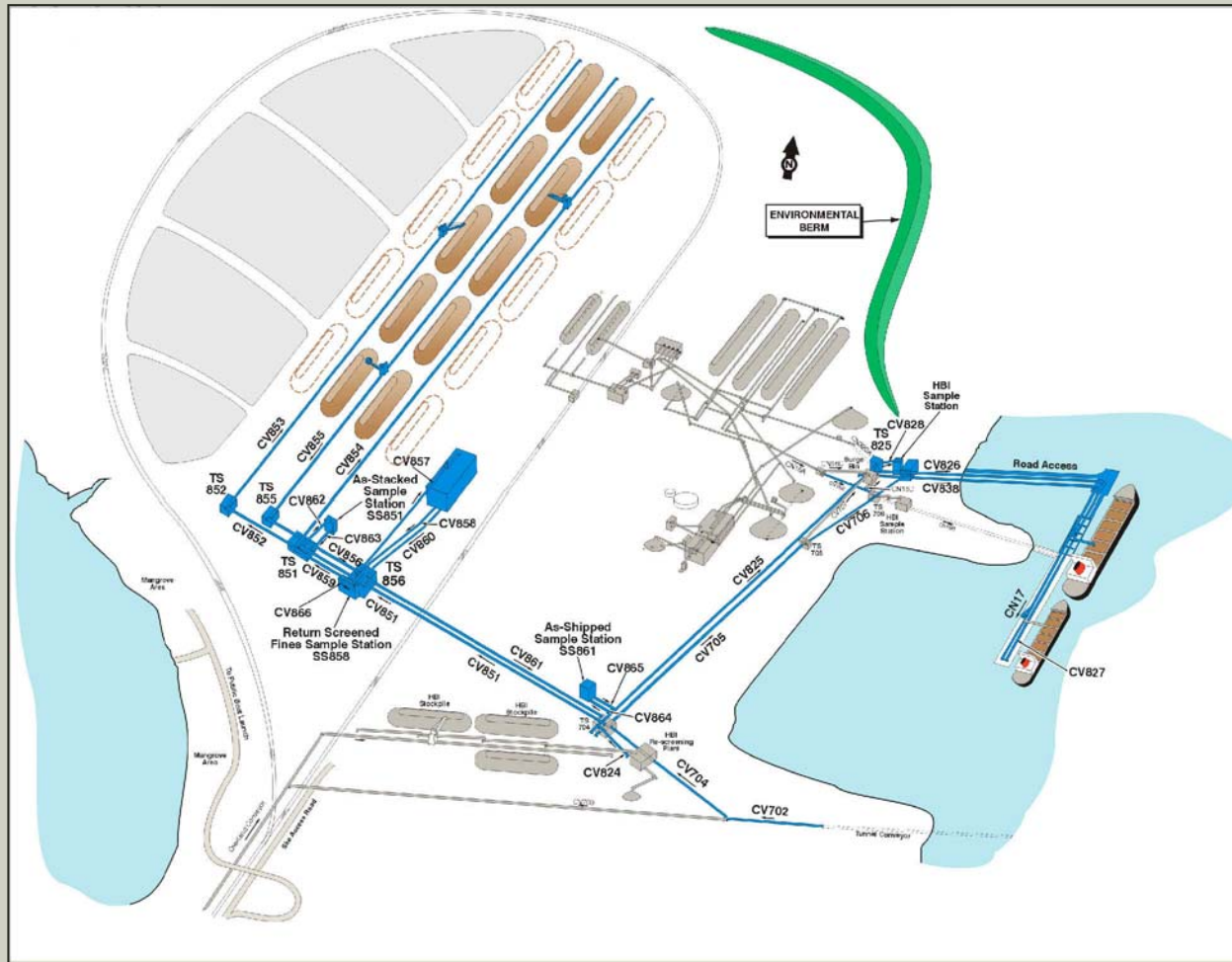


Mining Area C



- More than 800 million tonnes of iron ore in seven separate deposits
- US\$213m (100%) capital expenditure (mine, processing & rail spur)
- 740,000 tonne bulk sample April 2002
- Bulk sample product railed and processed
- First shipment scheduled to POSCO
- Production target – late 2003
- Capacity to 15mtpa
- Ramp up in line with market demand
- POSMAC JV

Products & Capacity Expansion Project (PACE) Western Stockyard Works



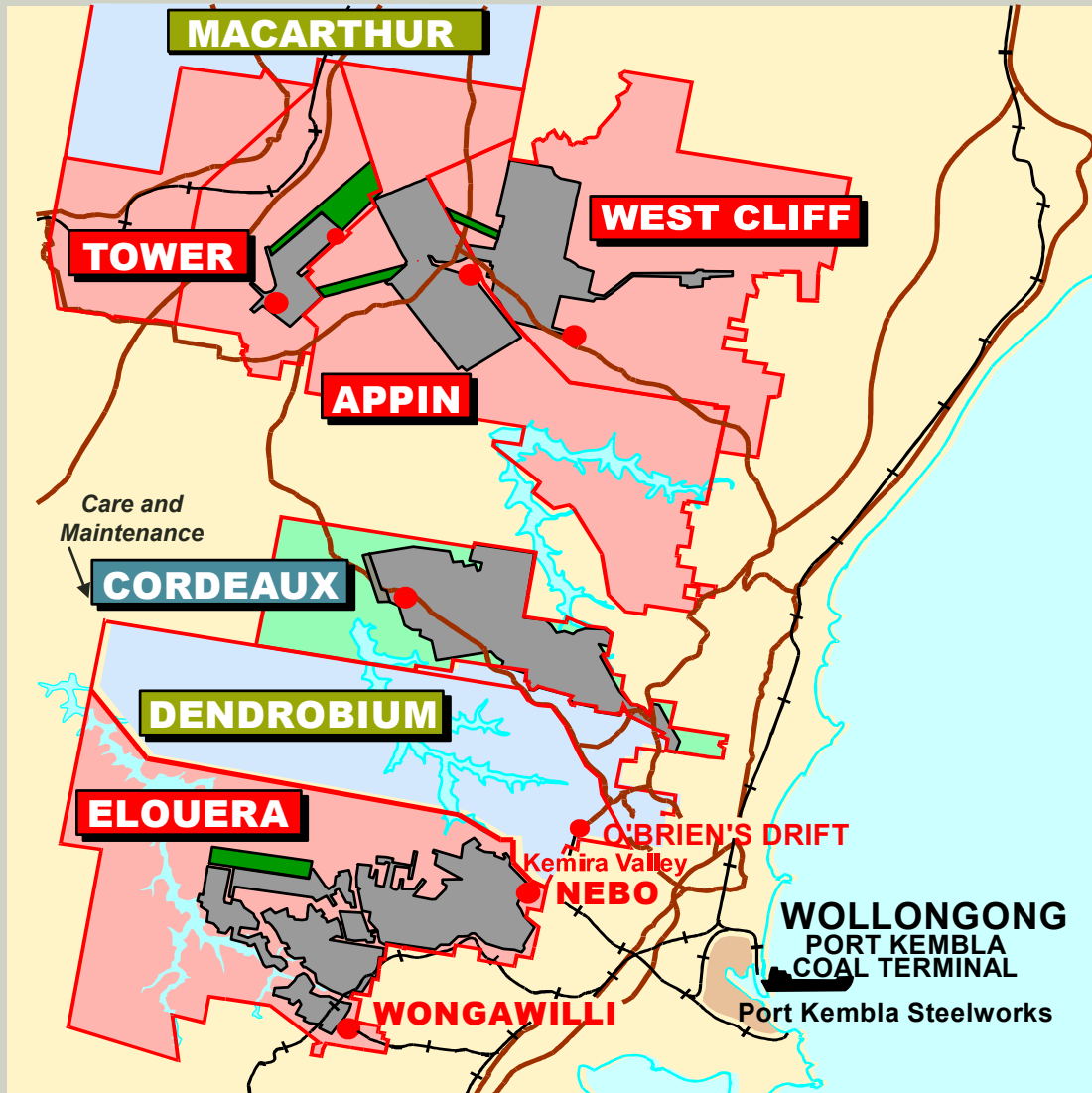
Stage 1

- US\$351m (100%) capital expenditure (port, mainline, environment)
- Upgrade under harbour tunnel to 10,000tph
- New berth approach jetty and conveyors
- Extend existing berth north and upgrade conveyor
- New 10,000tph shiploader
- New Western Stockyard 1.65Mt and Lump Re-screening Plant
- Water and power supplies upgraded
- Environmental berm
- Foundation for Long Term optimisation

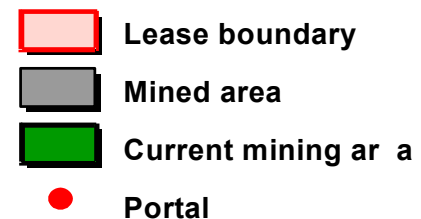
Samarco Roller Press

- Capacity round out: increasing plant capacity at Ubu pellet plant by 2 mtpa (to 14 mtpa)
- Modest capex (US\$25M, 100%)
- Converts low margin concentrates to high margin pellets
- Commission May 2003

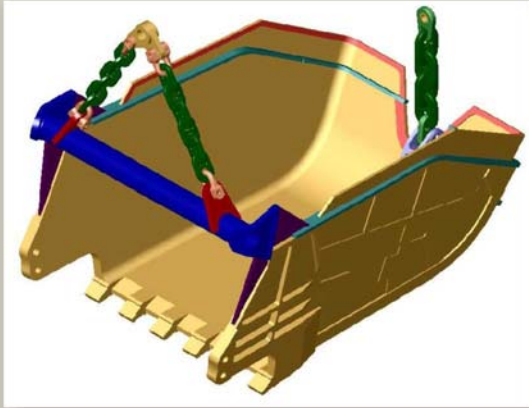
Dendrobium



- Maintain high quality No.2 seam
- Drive next phase of cost productivity
- Expand production to > 8mtpa
- Long term supply to BHP steel



Universal Dragline



- Universal Dragline (UDD) is a modified hoisting system that BMA is testing
- Productivity **gains of >20%** may be possible
- Gains in productivity are based on:
 - **Decrease in equipment weight.** Converted to payload
 - **Reduced cycle time.** Bucket can now be picked up when full.
 - **Improved physical characteristics.** Increase in dump height, boom length and dig depth.
 - Expected productivity benefits in new bench designs.
- Trials in progress.

Goonyella Underground



- Development of low capital low risk punch longwall in Goonyella middle seam
- Equipment - low capex options
- Flexible production
- Gain experience in north Bowen Basin longwall mining

Carbon Steel Materials – Value Add

- Operating excellence
 - Plans in place across all sites to achieve cost targets
- Customer focus
 - Marketing hubs established
- Knowledge based

Carbon Steel Materials – Prospects

- Steady – prudent growth
- Attractive industry structure – but challenges
- China – opportunity & threat
- Pre-eminent resource base and assets
- Further efficiency and productivity opportunities
- Solid project pipeline