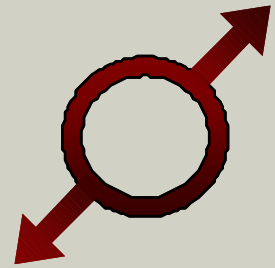
BHP Billiton Aluminium

Aspiring to be the best aluminium company in the world

Sydney - London

November 2003



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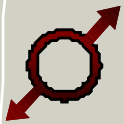
Key Messages

- Quality of asset portfolio - Upstream → Metal / Alumina
- Opportunity for significant further improvement
- Still brownfield opportunities to harvest
- Change in growth emphasis → Aluminium to Alumina
  - Response to supply / demand evolution in China
  - Where we believe the greatest source of future rent lies

Speakers

• Introduction and Strategy	Mike Salamon
• Marketing	Rod Kinkead-Weekes
• Industry Issues	Paul Everard
• Smelting Operations & Continuous Improvement	Mahomed Seedat
• Refining Operations & Continuous Improvement	Colin Agnew
• Future Growth	Ian Jacobson
• Finance / Value	Alex Vanselow



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Introduction

- **Aspiring to be the best aluminium company in the world:**

  The scorecard

  - Zero harm in HSEC
  - Lowest unit cash costs
  - Growth and Sustainability
  - Size / Materiality
  - Value
  - Cash generation

- **How we measure up**
  - Zero harm is the focus
  - Lowest metal & alumina system cash costs – but we can and will improve our relative advantage
  - Strong growth track record, but industry consolidation makes future M&A value based growth challenging
  - No. 2 in 3rd party aluminium (after RusAl) & No. 4 in 3rd party alumina (after Alcoa, Chalco and Glencore)
  - No. 4 in ROC in calendar 2002 after Comalco, Alcoa & Chalco
  - NPV large and growing

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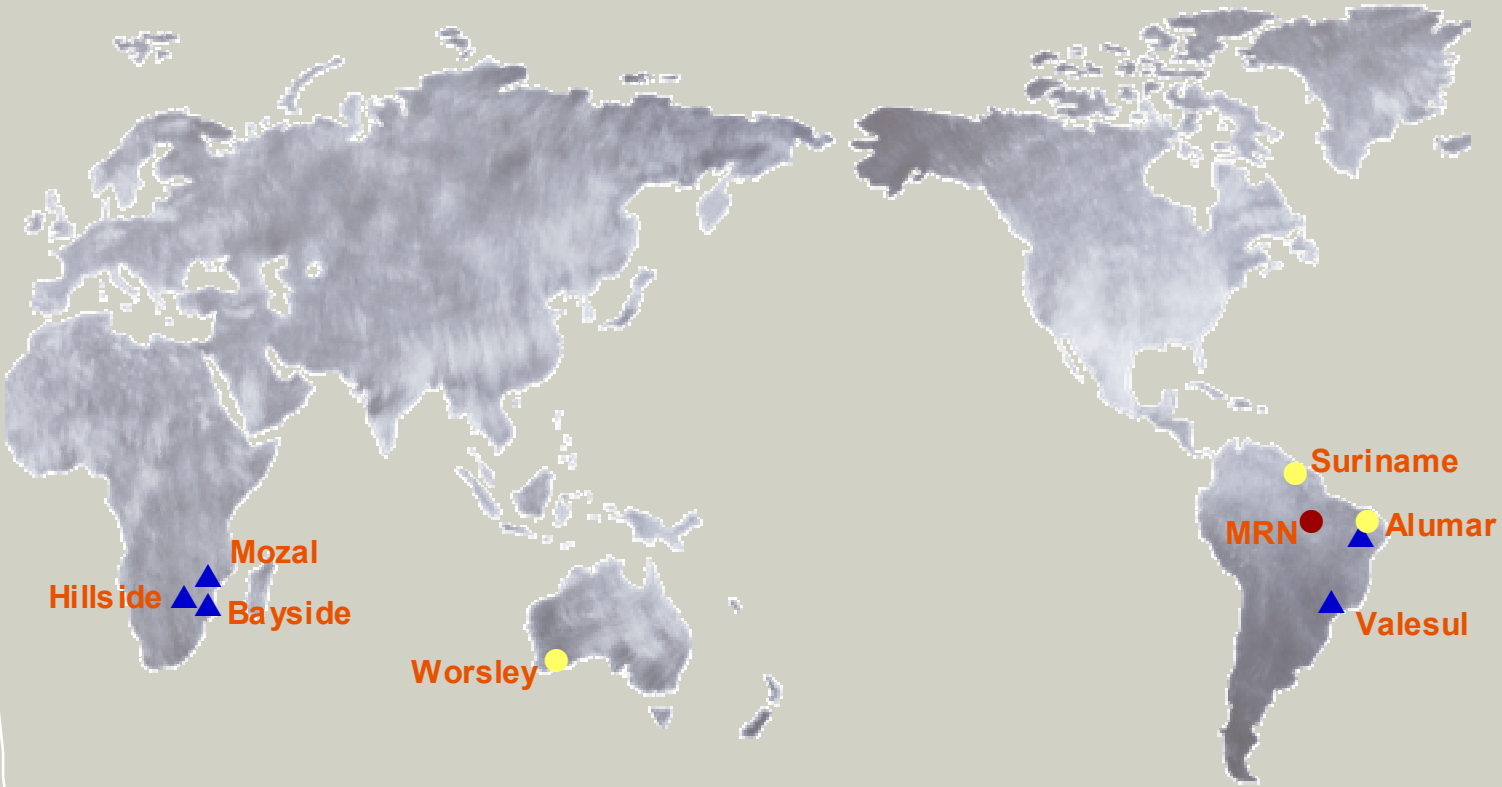
(Total Production in '000t in fiscal years)



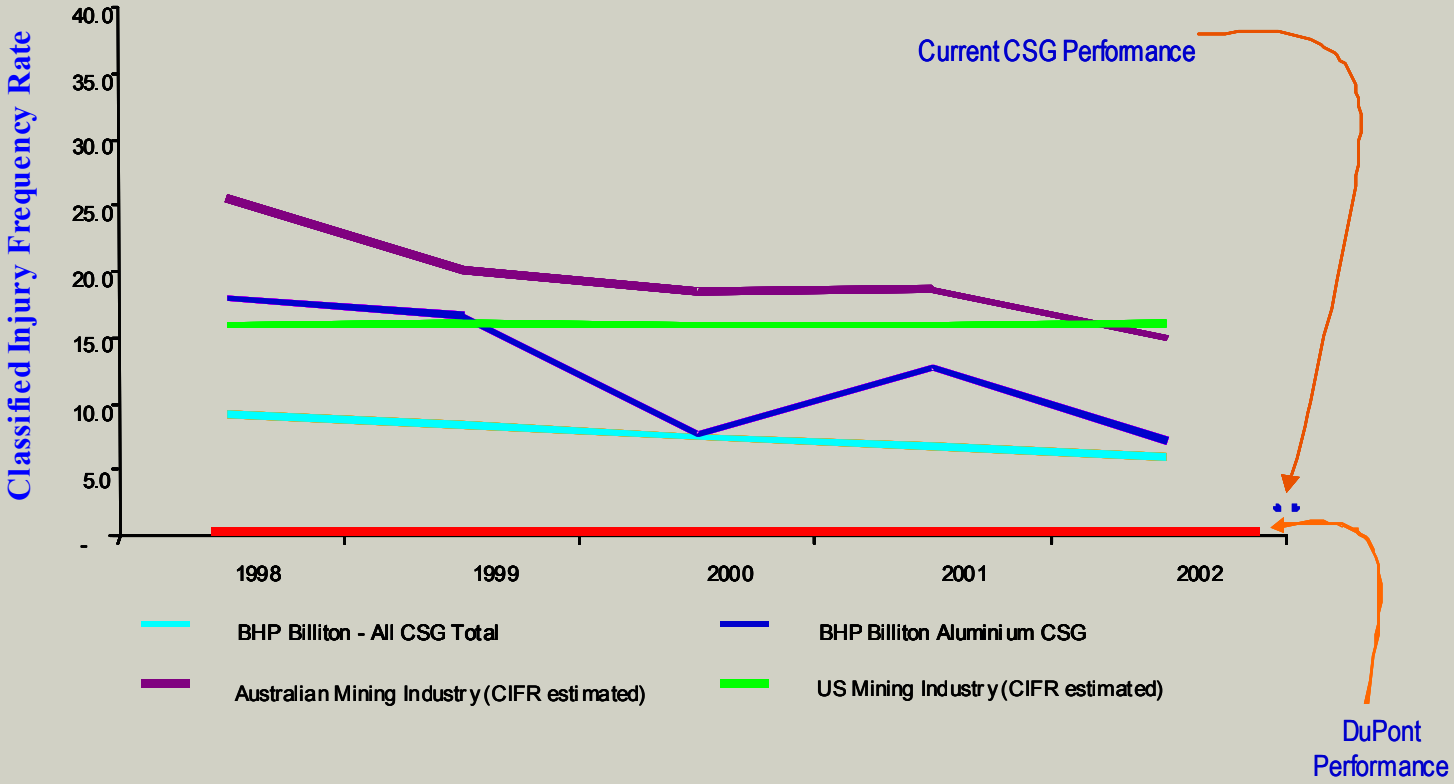
Production ('000 tonnes)	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Aluminium	883	981	992	1,074	1,250	1,300
Alumina	1,878	2,939	3,942	4,092	4,200	4,300
Bauxite	5,744	9,795	13,097	13,669	14,000	14,000

BHP Billiton Strategic Framework - Progress

VALUE DRIVERS	PERFORMANCE
Outstanding Assets	CIFR down 20% and Improving Metal creep of 82,000 tons and normalised costs down by 7% (2002 to 2003 FY) Alumina creep of 149,000 tons and normalised costs down by 3% (2002 to 2003 FY)
Growth	Mozal II and Hillside III delivered Paranam 2.3mtpa expansion approved Worsley 3.5mtpa feasibility by Q4 FY04
Customer-Centric Marketing	Long-term non-LME linked alumina sales Metal sales into China
Innovation	335kA and beyond Slotted anodes Process control

HSEC – How We Compare

CIFR Benchmarking



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A Fundamental Part of "World's Best"

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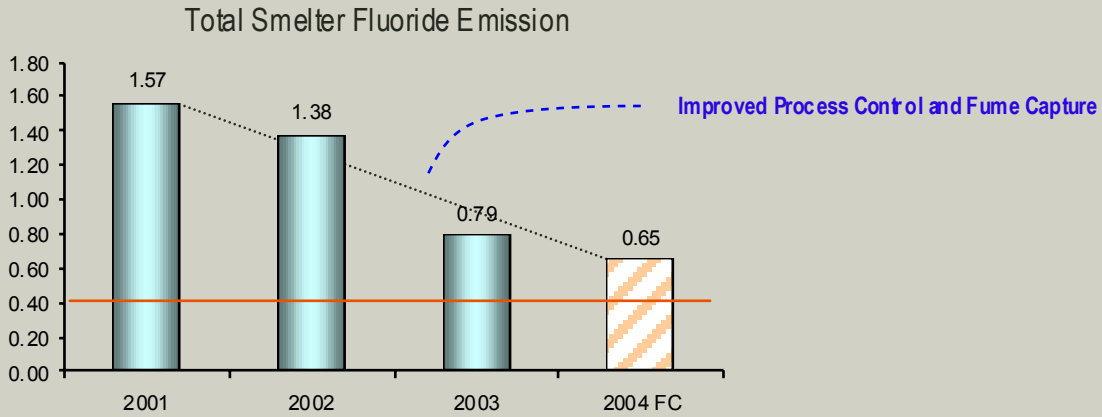
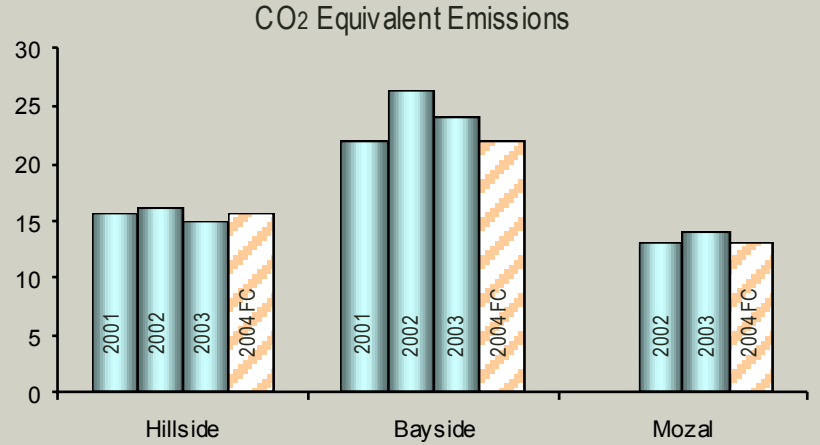
HSEC – Avg. Fluoride & CO_2 Equiv. Emissions / Tonne





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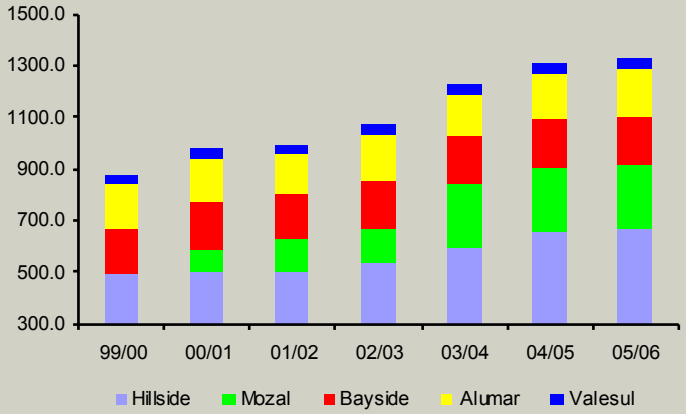
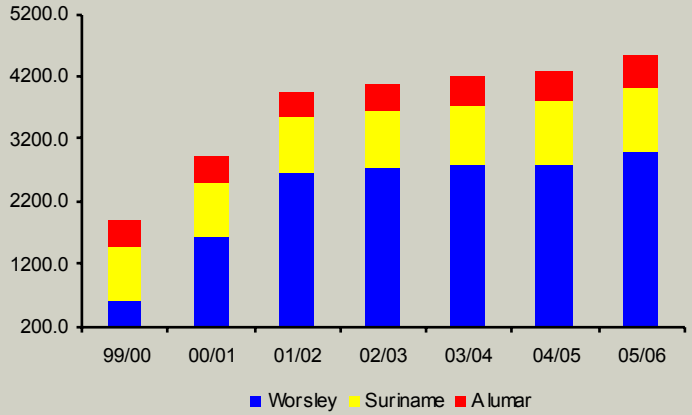
BHP Billiton Aluminium and Alumina Production

Aluminium Production



Alumina Production



- Mozal 1 start-up in FY01
- Mozal 2 start-up in FY03
- Hillside 3 start-up in FY04

- Worsley brownfield expansion from 1.8mtpa to 3.1mtpa
- Acquisition of 56% of Worsley
- Worsley brownfield expansion to 3.5mtpa and beyond 4.0mtpa
- Suriname "creep" from 1.9mtpa to 2.3mtpa
- Process control and optimisation

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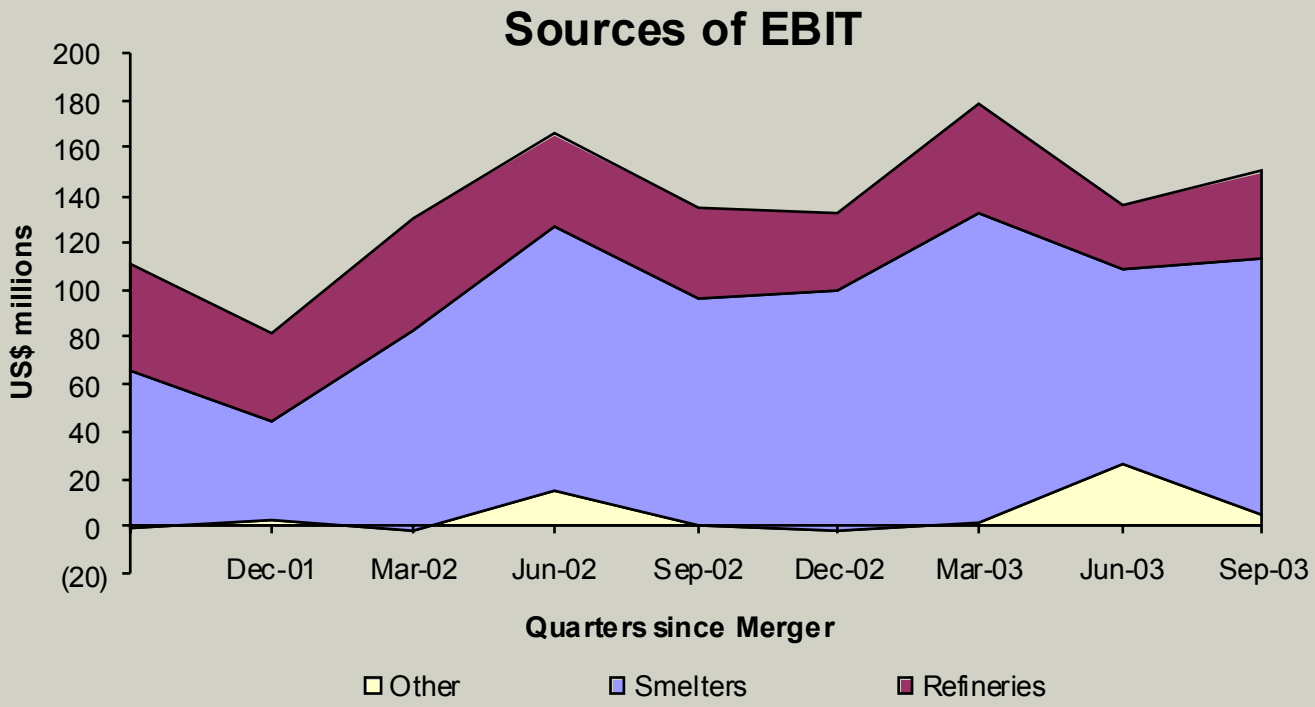
CSG Sources of EBIT Since BHP – Billiton Merger

LME Cash	1,381	1,316	1,381	1,356	1,311	1,351	1,396	1,381	1,436



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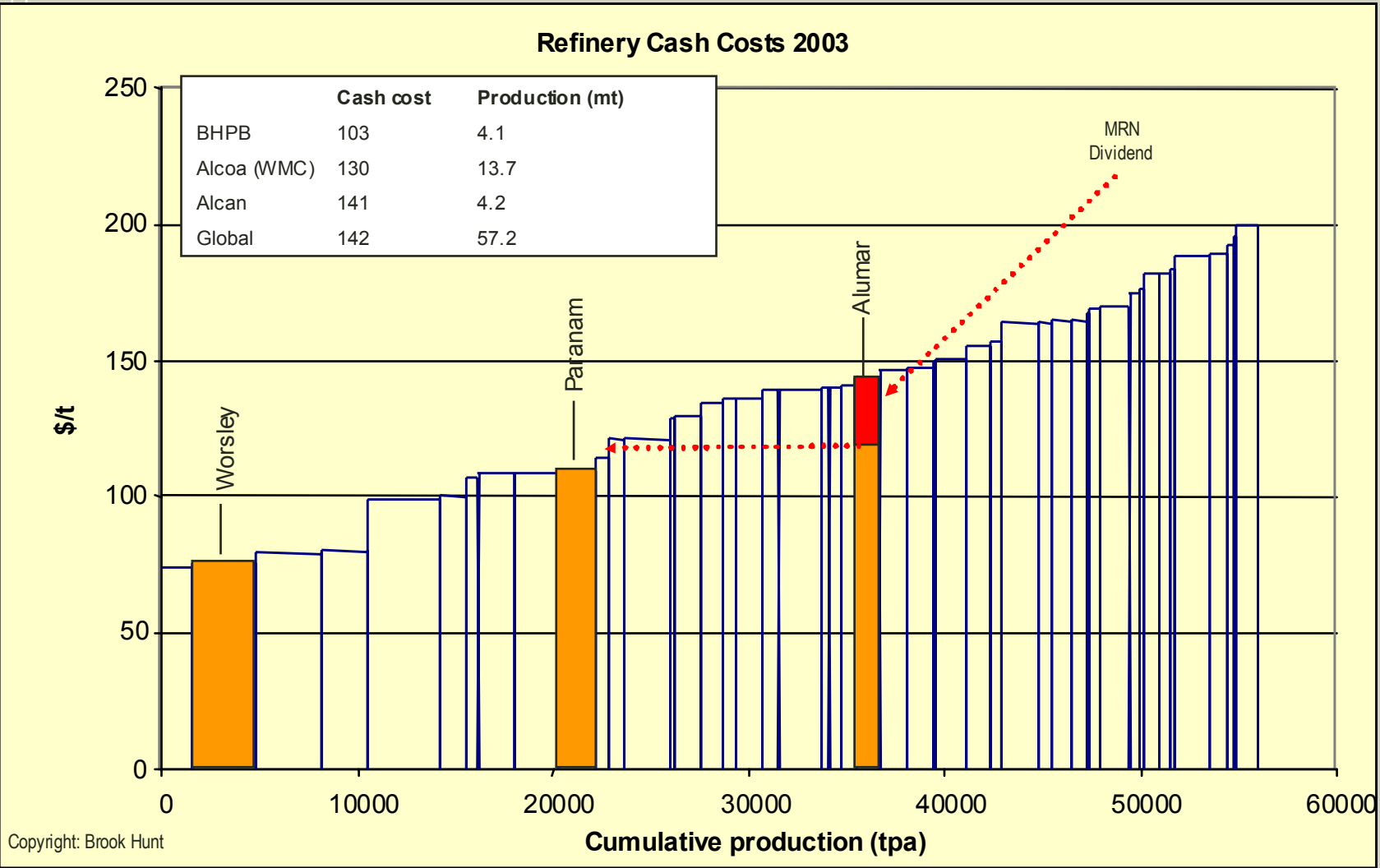
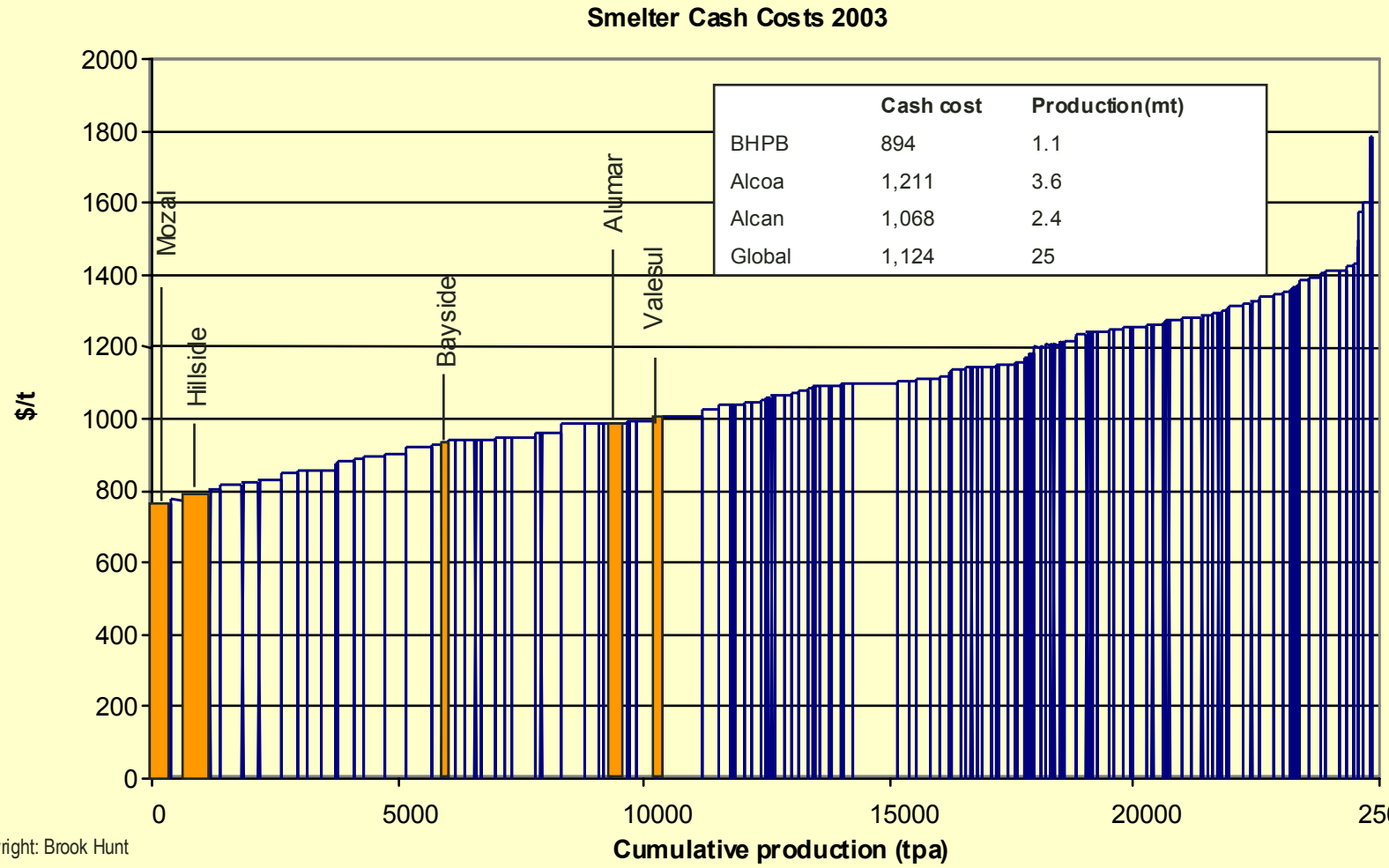
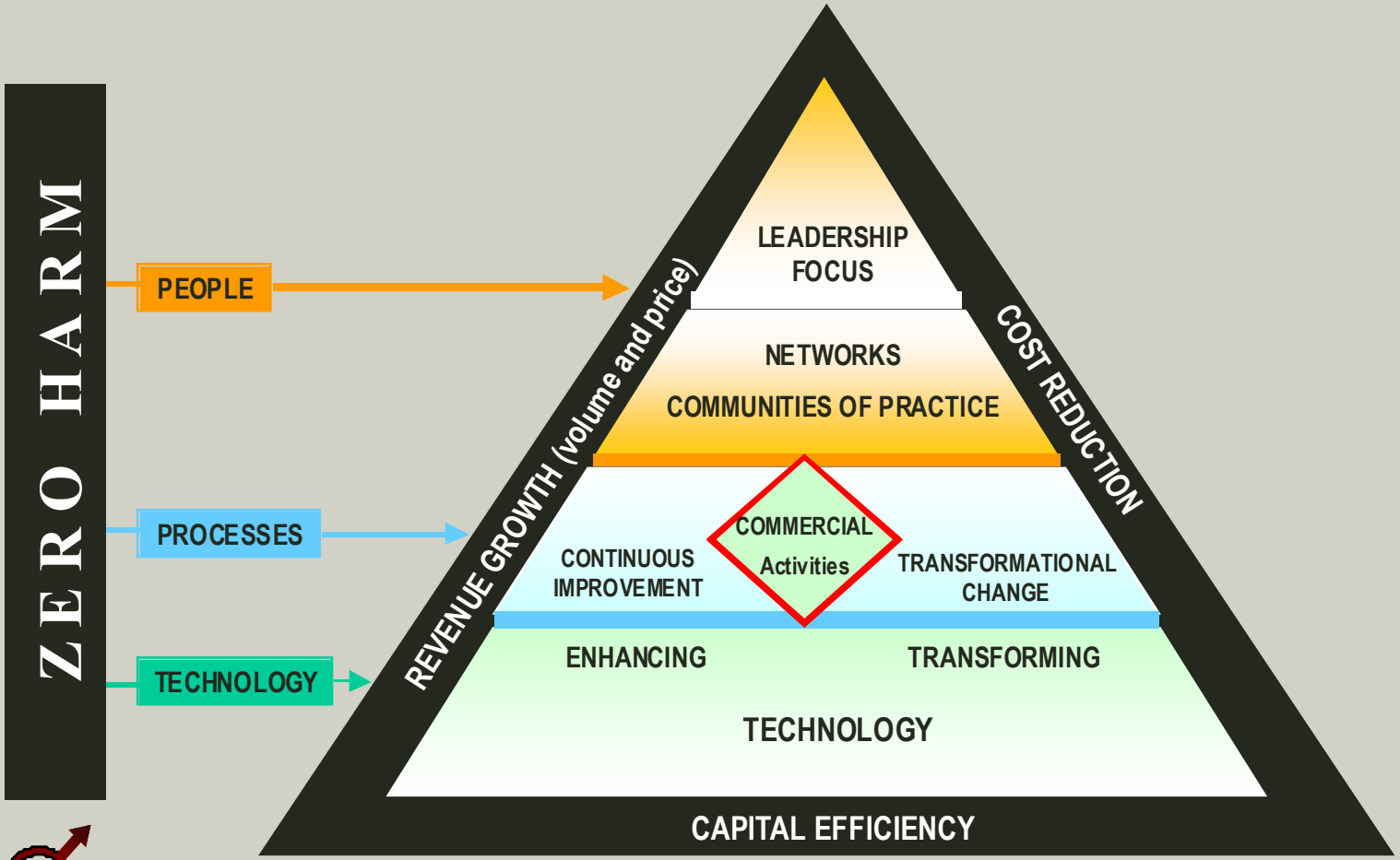
Refinery Cash Costs – How We Compare (Brook Hunt)



Smelter Cash Costs – How We Compare (Brook Hunt)



Operating Excellence – People, Process & Technology



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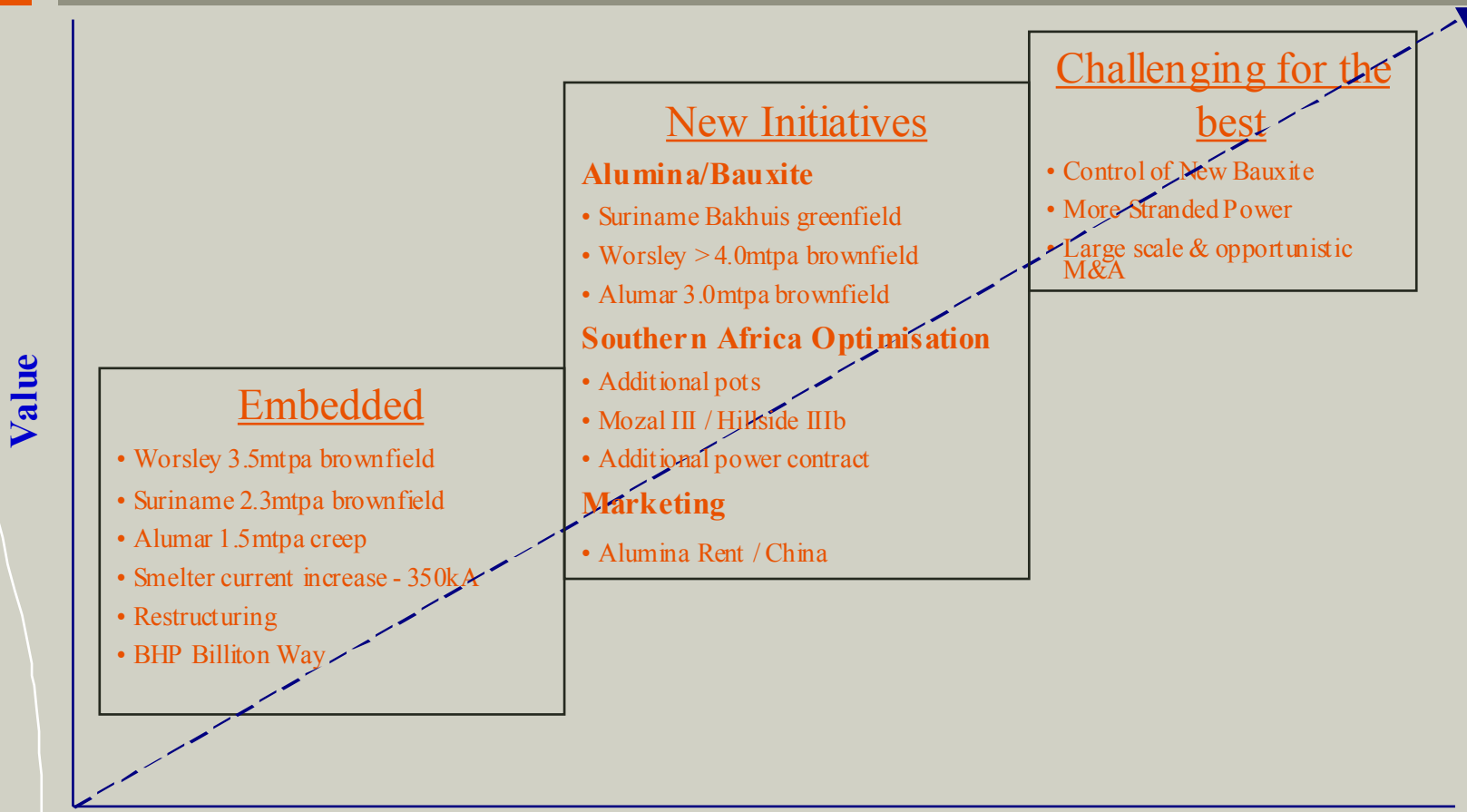
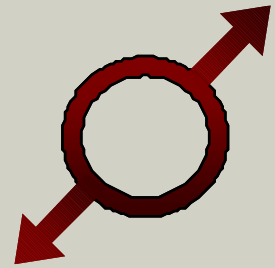
BHP Billiton Aluminium Options



Marketing

Rod Kinkead-Weekes
Marketing Director



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Marketing Strategy

Metal

- Maximise net premiums
- Diversify and promote flexibility
- Build on strong physical base…plus actively trade within specified limits
- Understand, manage and control risks

Status

- Number 2 in non-integrated primary metal sales
- Global market reach

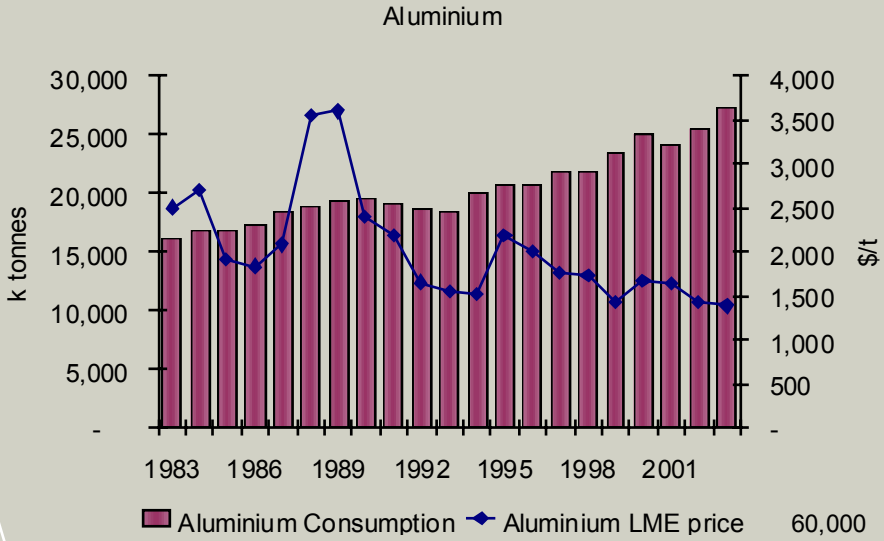
Alumina

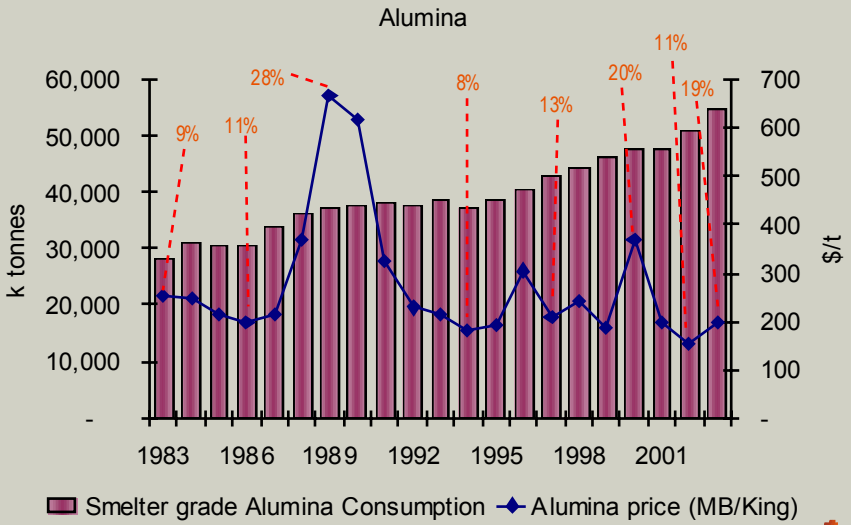
- Supply increasing internal requirements
- Position for further growth
- Maximise margins
- Actively trade
- Supply new markets
- Understand, manage and control risks

Status

- Strong market presence
- Significant 3rd party player
- Growing in China

Historical Global Consumption and Real 2003 Price





Source: Metal Bulletin, King and Brook Hunt

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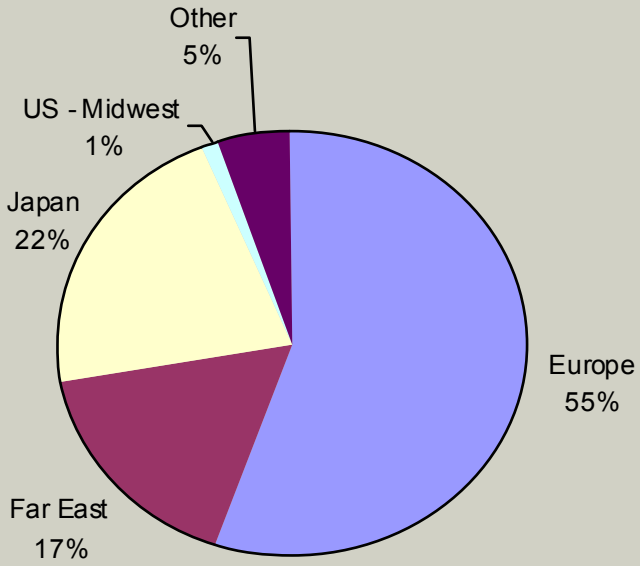
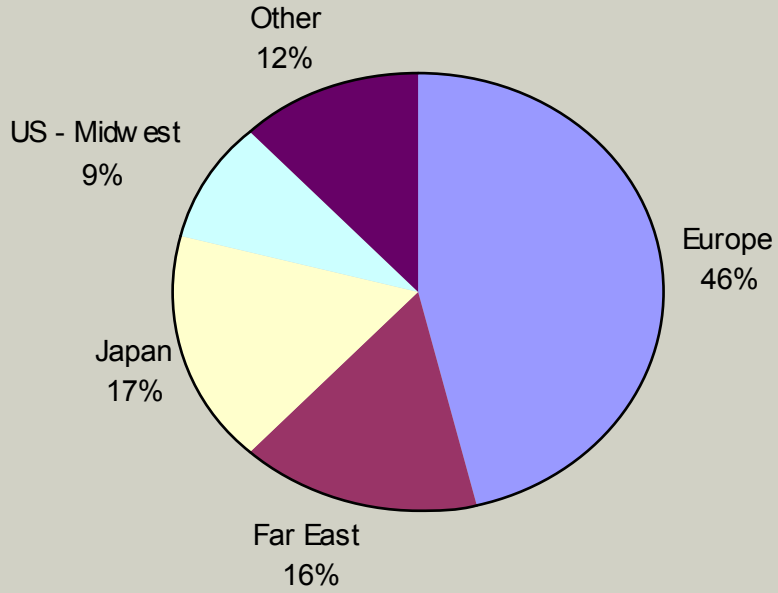
Aluminium Sales by Destination

Actual 2003



Forecast 2004



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Alumina Sales by Destination

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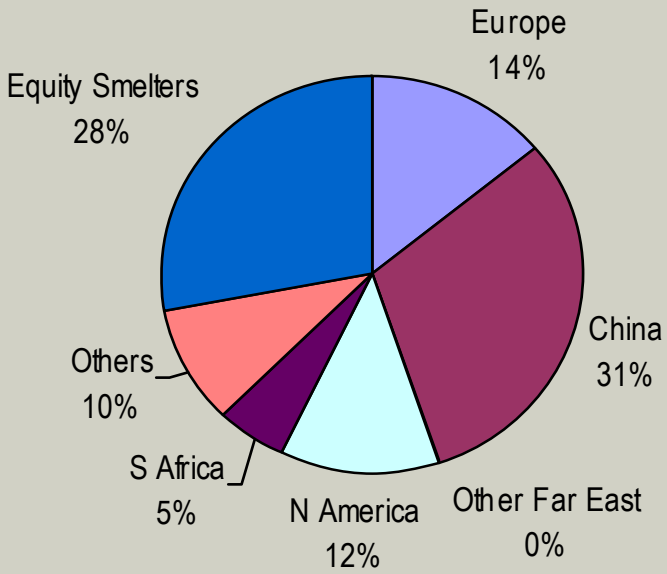

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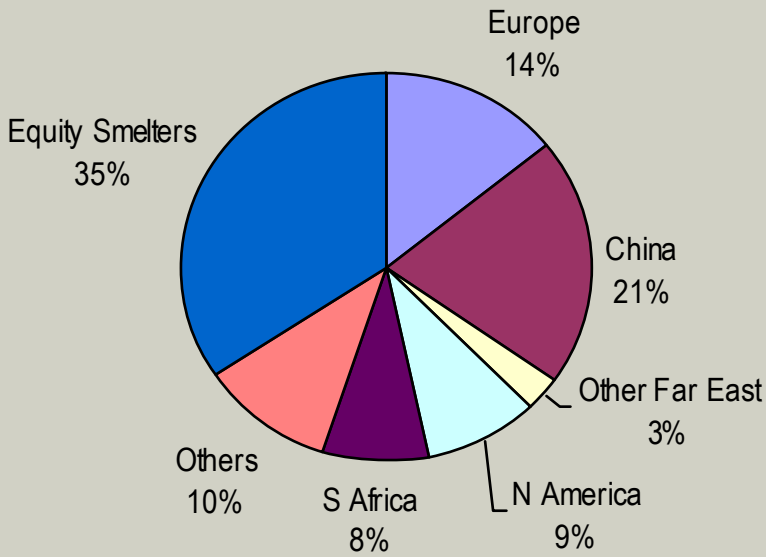

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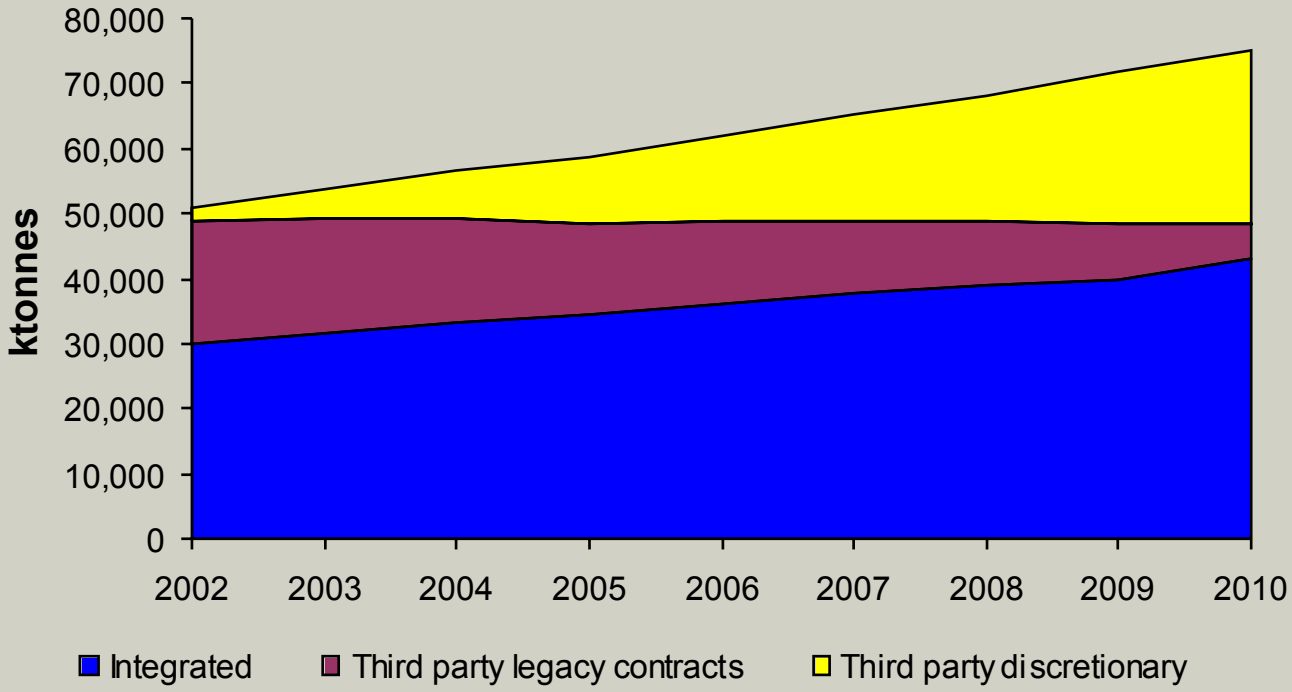
Evolution of Global Alumina Market



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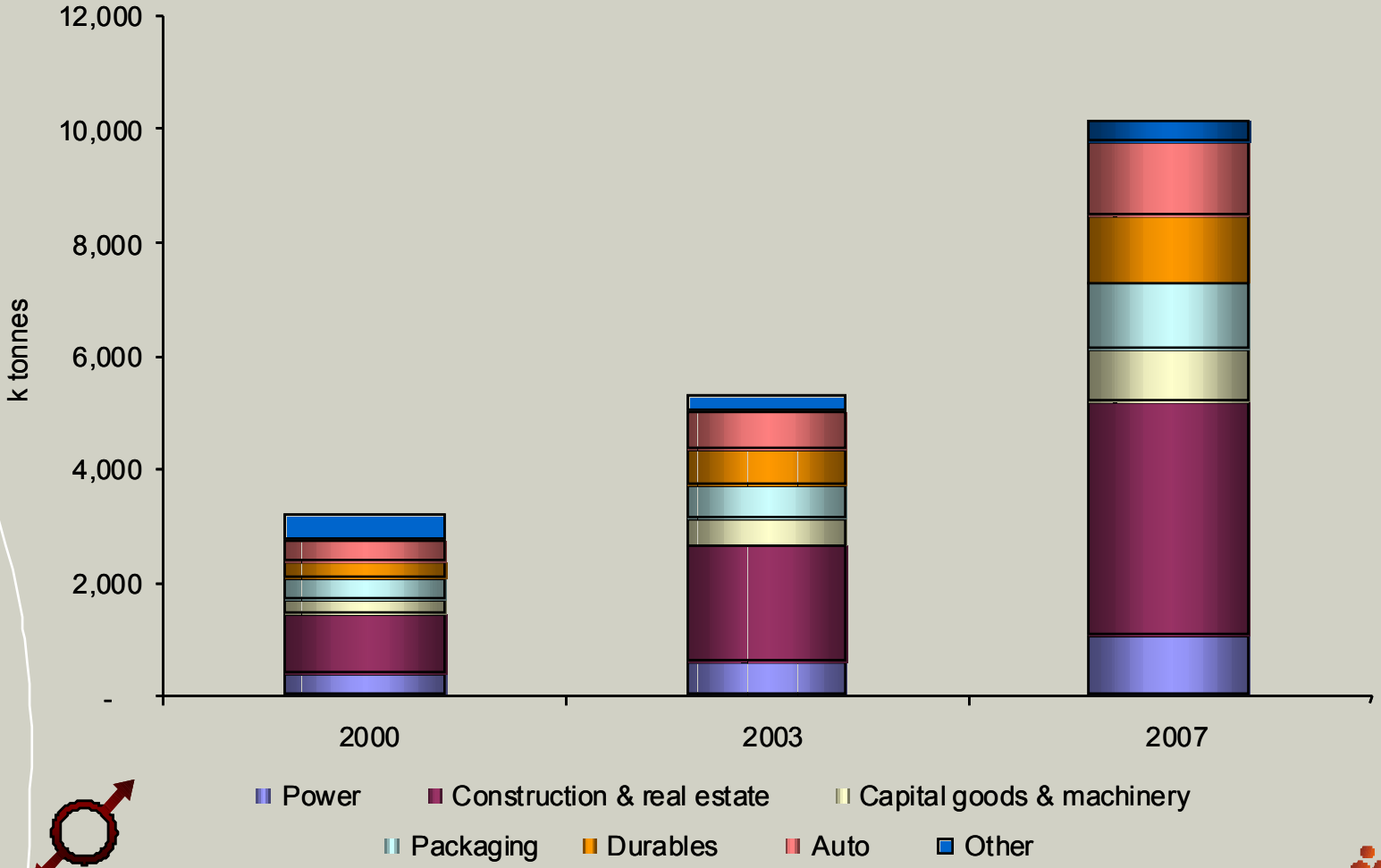
China – Aluminium Demand



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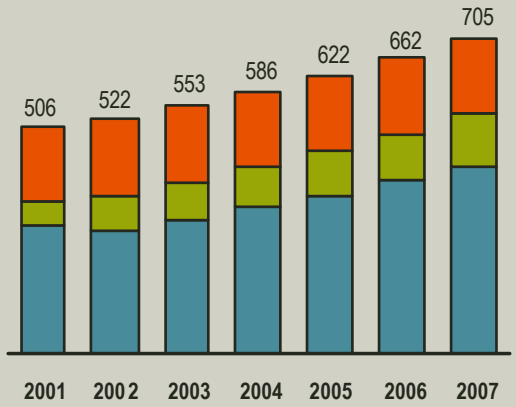
China – Construction Industry Drivers

Underlying demand for residential floor space
(million sq metres)

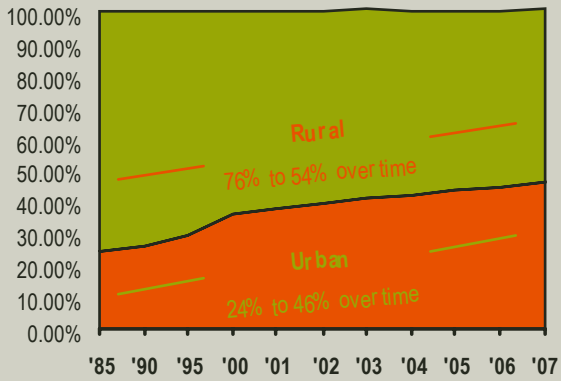
Urban renewal of housing stock

Urban population growth

Urbanisation of rural population



Change in population from rural to urban

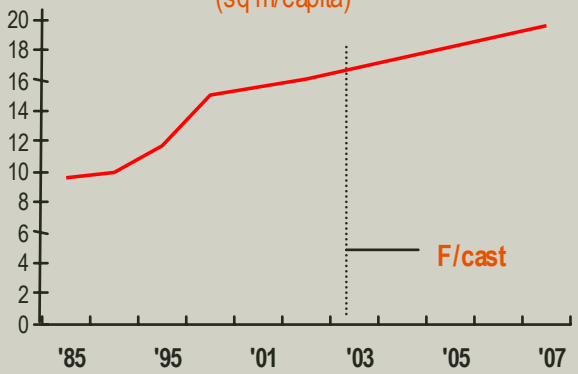


Assumptions

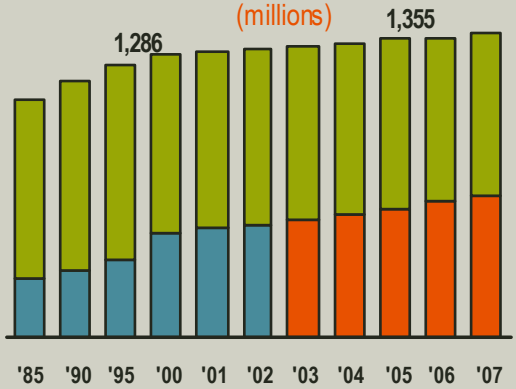
Assume 4.5% pa "urbanisation" rate based on recent history

Assume 40 year life cycle for average accommodation

Gross floor space per capita - Urban
(sq m/capita)



Population
(millions)



Assume 1% pa population growth

Assume floor space per capita continues to grow at 4% per annum based on historical trends

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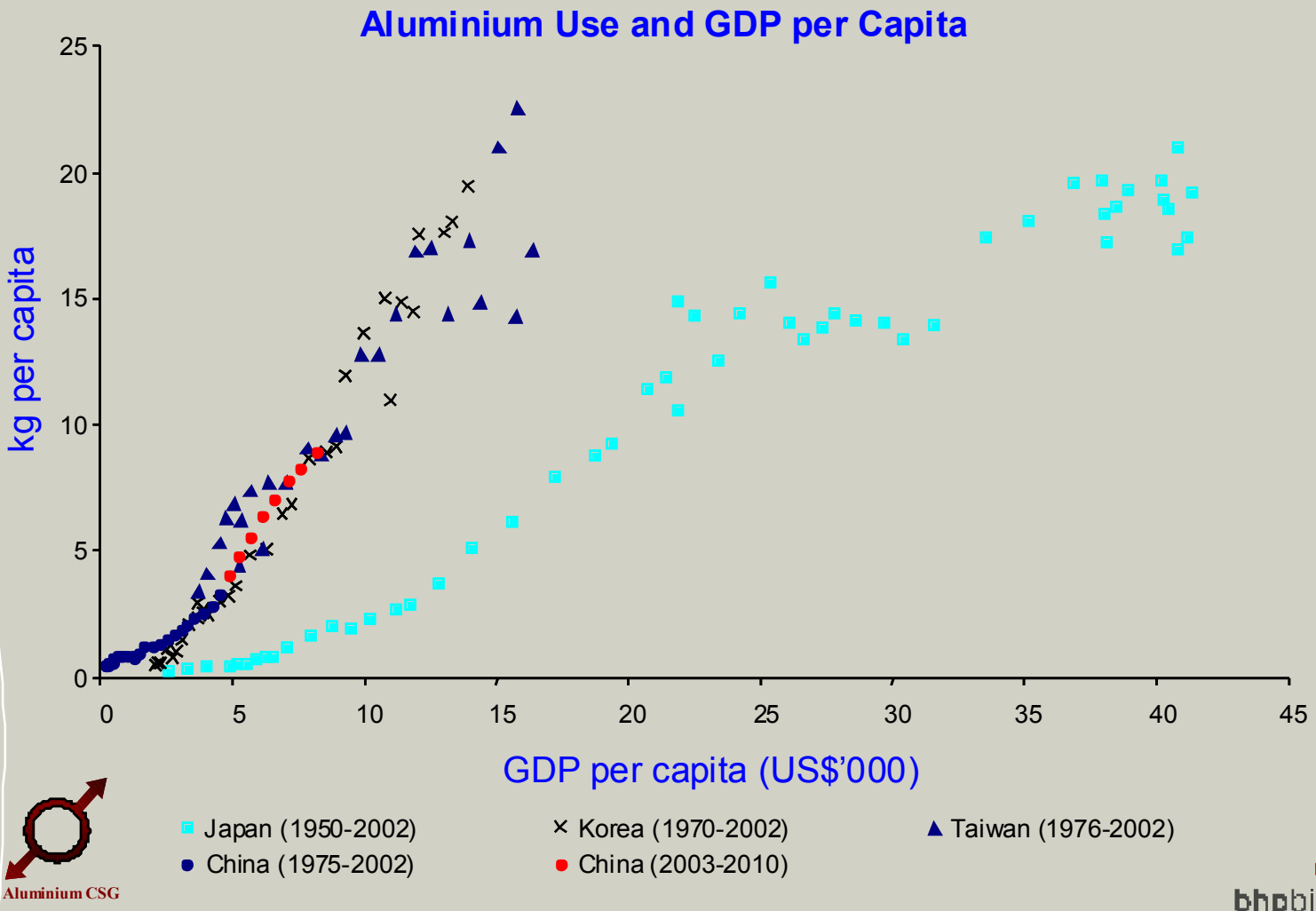
Asian Metal Consumption – Evolution (Macquarie)



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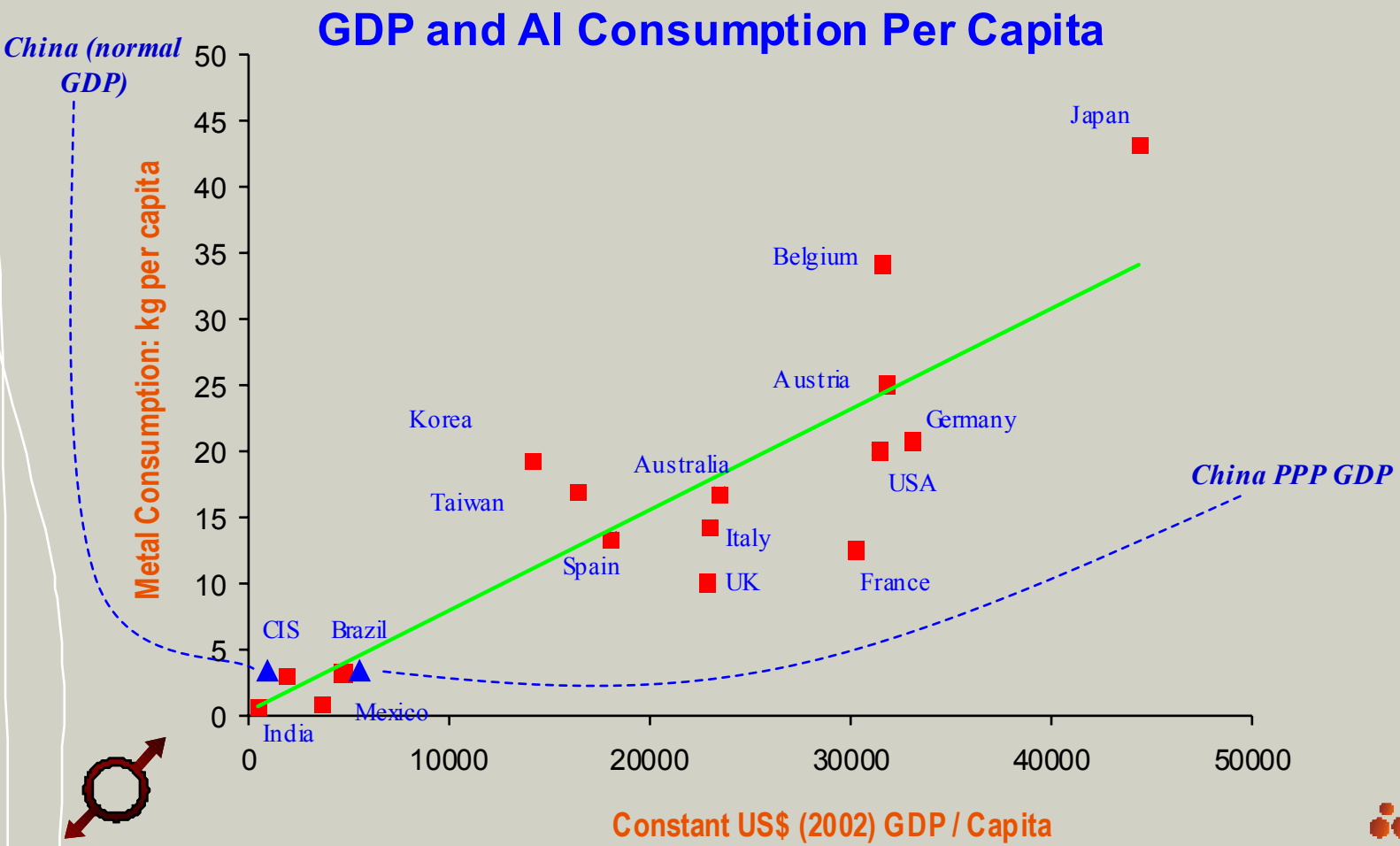
Asian Metal Consumption - Evolution (Macquarie)



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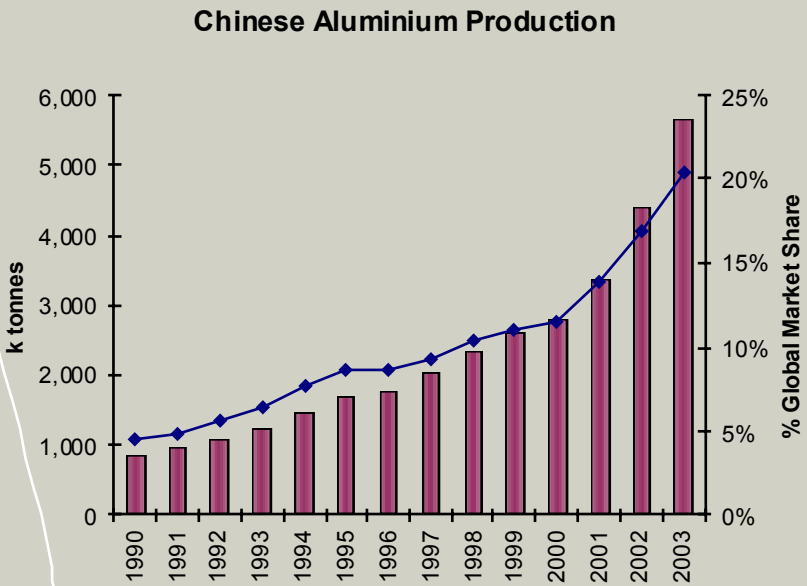
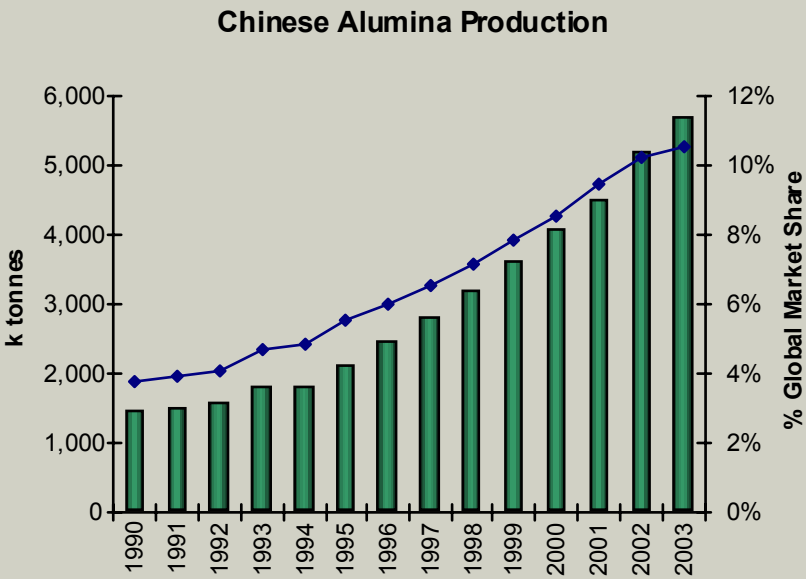
Chinese Aluminium and Alumina Production





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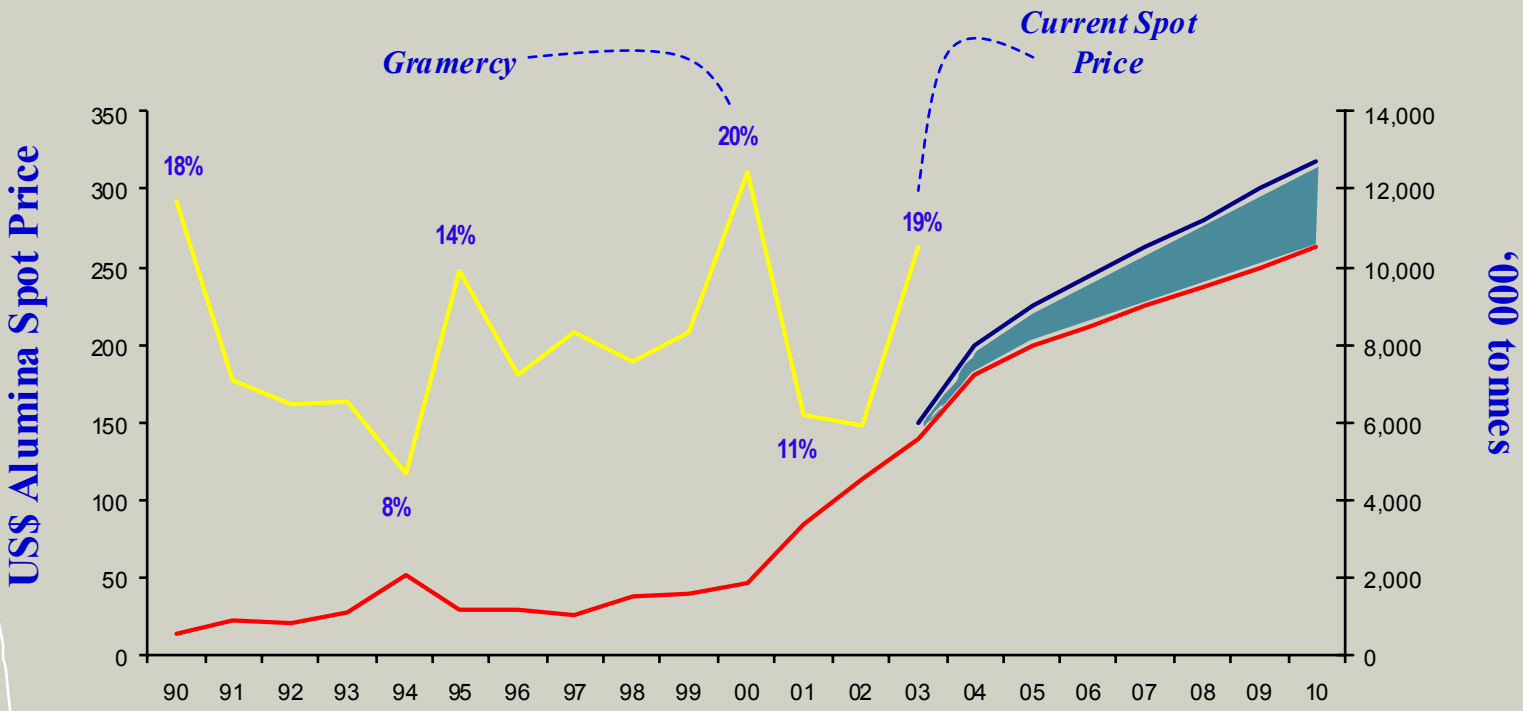
Chinese Annual Alumina Imports – the Future?



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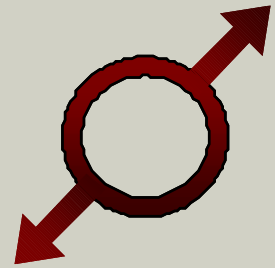
China – Global Market Implications

- **Metal**
  - Continuing to grow strongly and will continue to grow
  - Despite strong consumption growth – a net exporter
- **Alumina**
  - Not keeping pace with metal growth
  - Where will it come from / will it be available?

Industry Issues

Paul Everard

Deputy President - Aluminium



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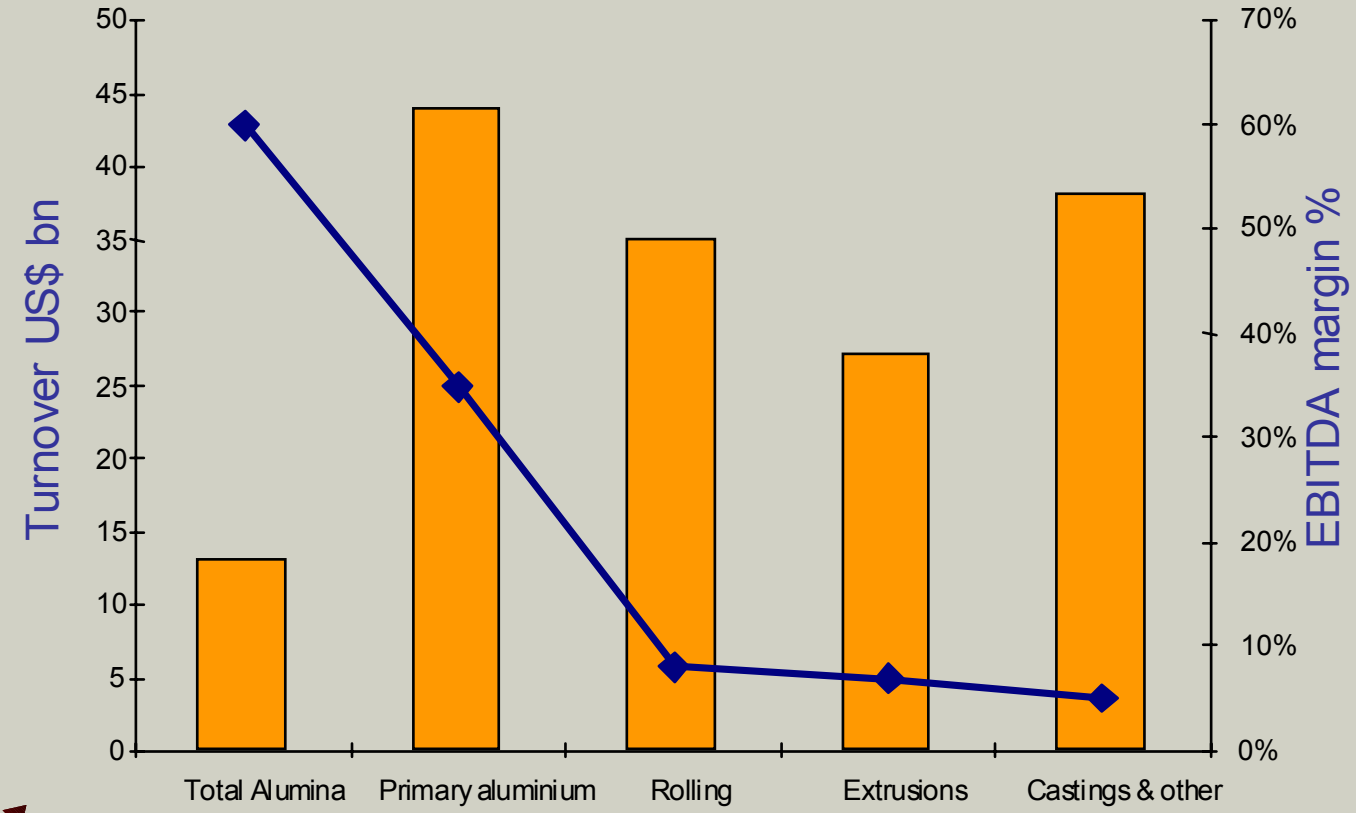
The Industry - Turnover & Lowest Quartile EBITDA Margins



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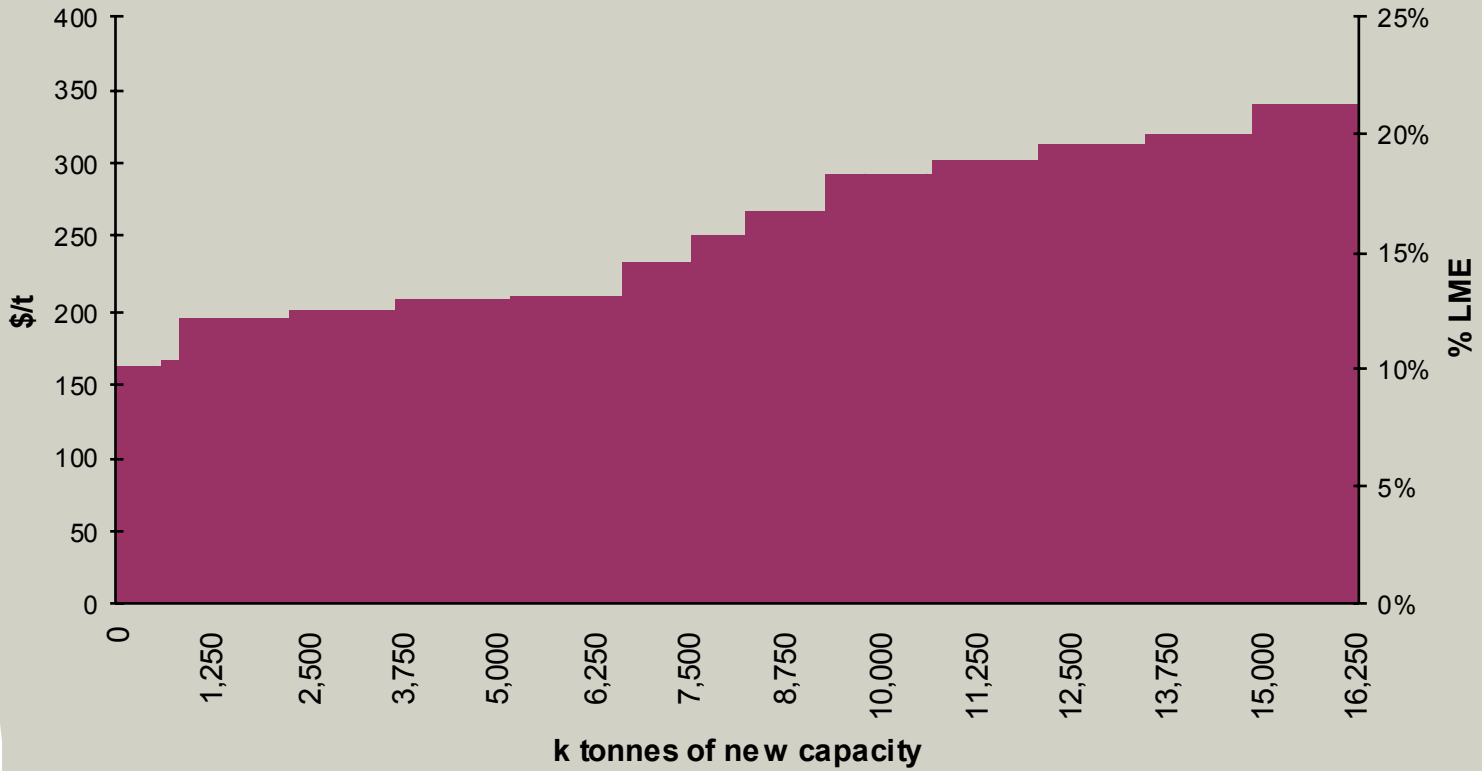
Key Industry Factors

- China
- Automotive growth
- **Recycling**
- The environment
- Power
- Technological breakthrough
- **Entry and exit barriers**
- **Industry structure**

Alumina Capacity - Inducement Price Curve



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Smelting Operations & Continuous Improvement

Mahomed Seedat

Vice President and Chief Operating Officer – Southern Africa

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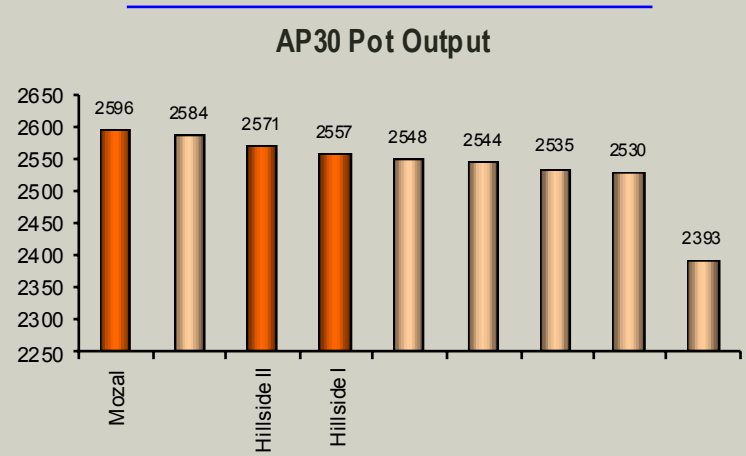
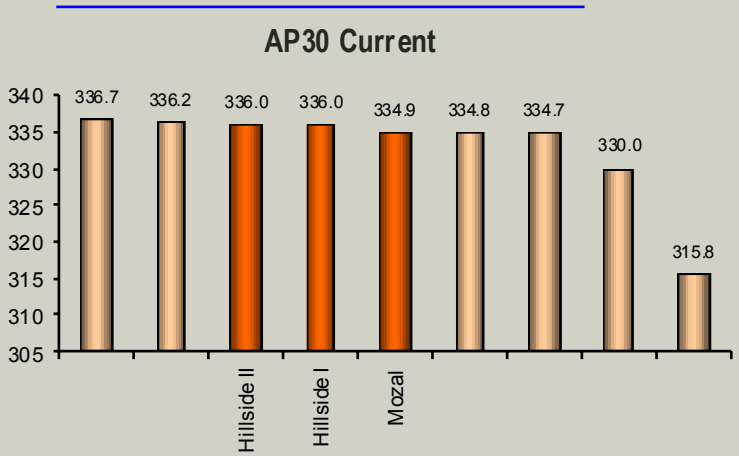
Southern African Smelters

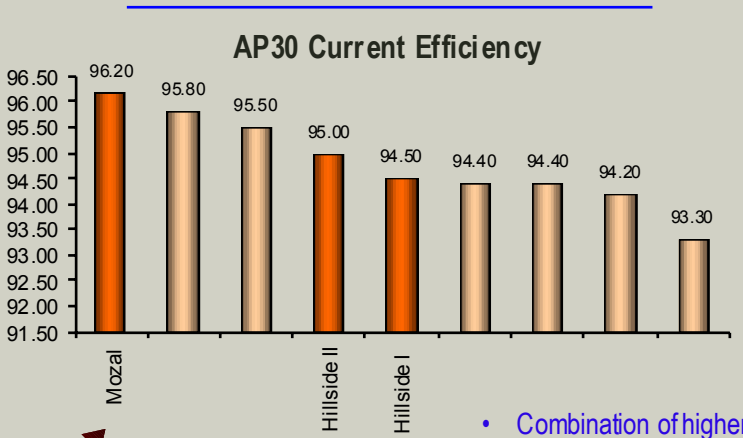
Mozal II and Hillside III - Forecast Completion KPIs

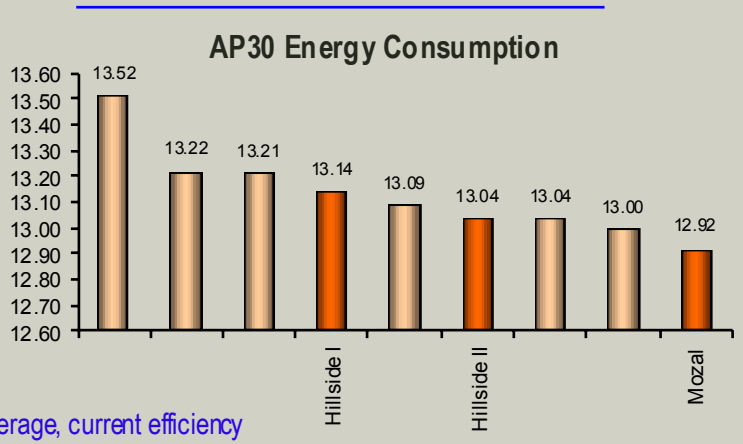
		Hillside III		Mozal II	
KPI	**Unit**	**Forecast**	**Budget**	**Actual**	**Budget**
LTIFR	Injuries / million man hours	0.6	5.0	1.0	5.0
Fatalities	Injuries / million man hours	Zero	Zero	Zero	Zero
Capex	US$ millions	416	449	660	860
Schedule to first metal	Months	18	27	21	27
IR	Man hours lost %	Zero	2.5	Zero	2.5

AP30 Pre-Bake Benchmarks









- Combination of higher amperage, current efficiency and low energy consumption is the goal
- Innovation is a major contributor
- Process control and elimination of variation critical

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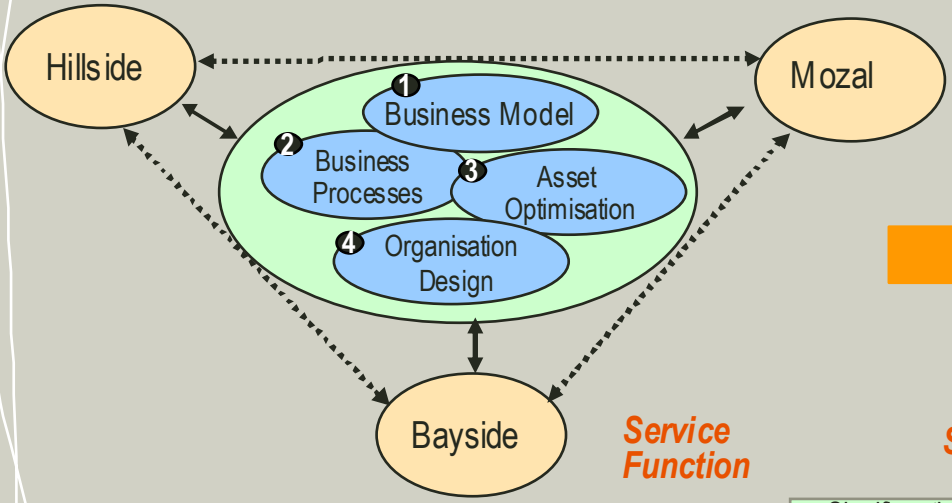
Organizational Synergy – Project Simunye



Continuous Improvement Projects a part of the way we do business…

Service Function	Service Value-add	Indicative NPV
Human Resources	• Significantly improved HR Service delivery • Optimisation of overall staff compliment • Shared HR business model	US$ 4.1M
Business Solutions	• Standardisation of systems • Improved governance • Consolidated systems development	US$ 1.7M
Raw Materials	• Leveraging of combined purchasing power • Exploit excess carbon capacity through sales of anodes and paste (not yet included in NPV)	US$ 5.9M
		US$ 11.7M

..74 CI projects currently being implemented and tracked at Hillside and Mozal..

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Understanding the Levers in Our Smelting Business

	Hillside	Mozal	Bayside A
Shareholding	100%	47%	100%
Pots	720	576	240
Pot output (kg/day)	2,525	2,592	1,062
Current (kA)	333	335	145
Current efficiency (%)	94.6%	96.2%	92.9%
EBIT sensitivity (US$ 'millions)			
5kA increase	7	3	2
1% CE	5	2	1
10 extra pots	7	4	3
NPV effect post 30% tax (US$ millions)			
5kA increase	67	30	20
1% CE	47	21	6
10 extra pots	62	35	24

350kA project at Hillside will deliver an additional 15kA, or three times this benefit

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Note: Example Excludes Capital Requirement

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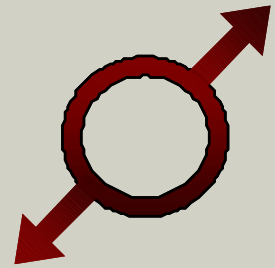
Refining Operations & Continuous Improvement

Ian Jacobson

Vice President – Technical

Chief Operating Officer



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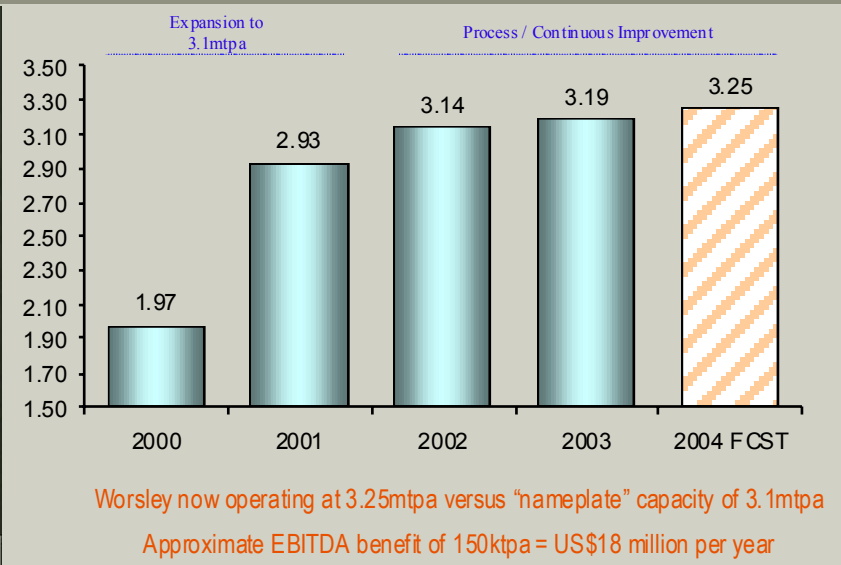
Worsley - Alumina Calcined Production

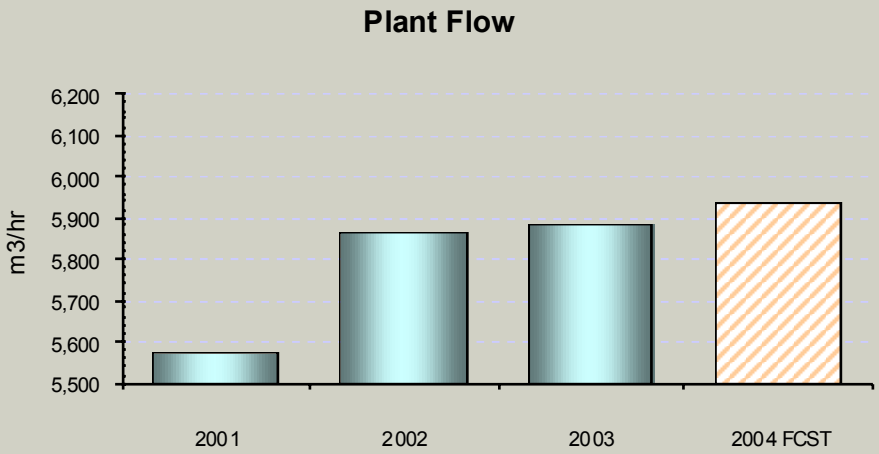


Worsley now operating at 3.25mtpa versus "nameplate" capacity of 3.1mtpa

Approximate EBITDA benefit of 150ktpa = US$18 million per year

Operating Improvement via Plant Flow & Yield

1 GPL Yield, or 100 m³ Flow = US$6 million EBIT impact

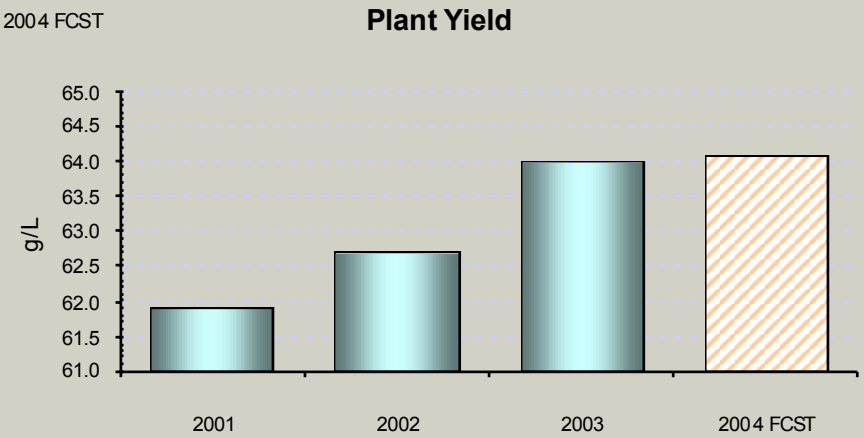


Flow Improvements:

- Mud Handling
- Operating Factor
- Powerhouse

Yield Improvements:

- Impurities control
- Higher in tank solids



Production = *f* (Flow x Yield)

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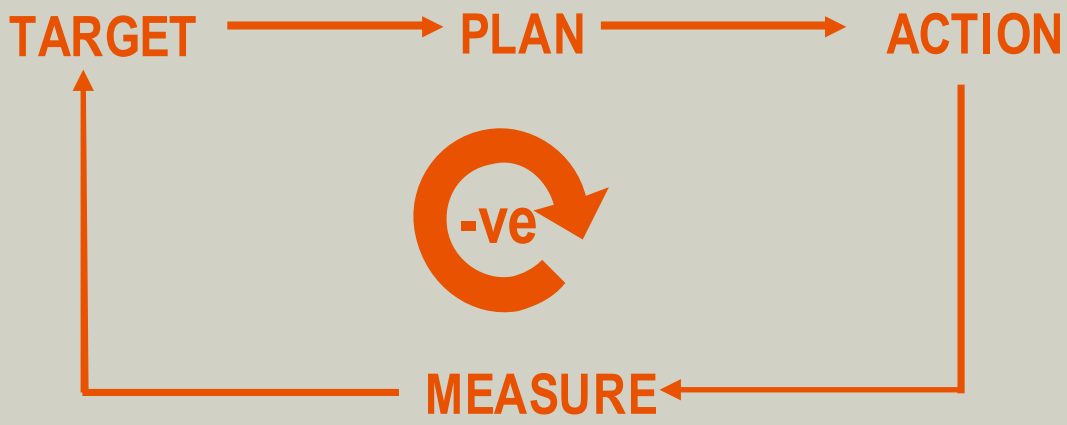
The KPI / Value Driver Tree

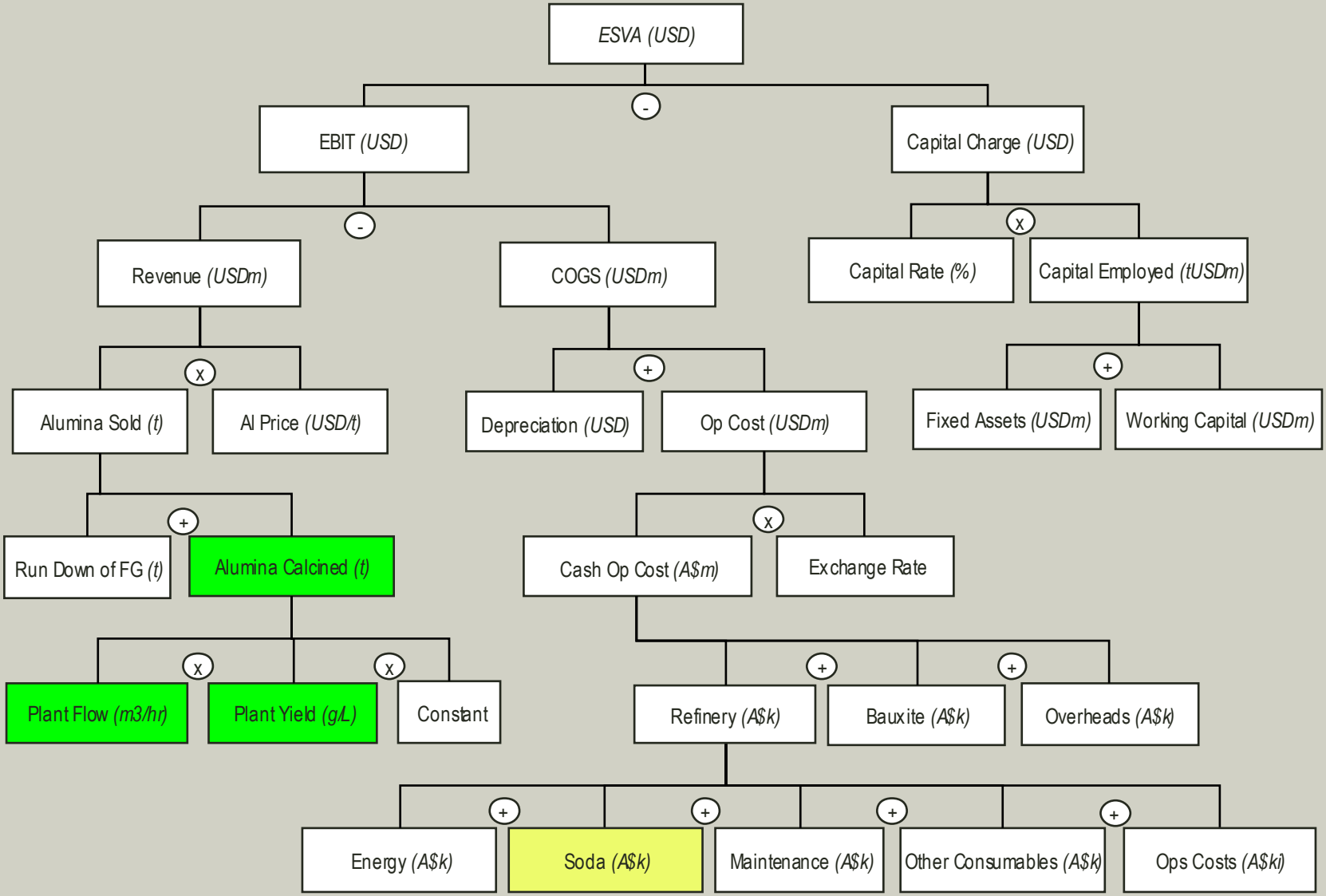
The KPI Process Map is designed to :

- Measure deviations from target (KPO's)
- Analyse the deviations to determine corrective actions (KPD's)
- Measure the economic impact on EBIT by not correcting variances

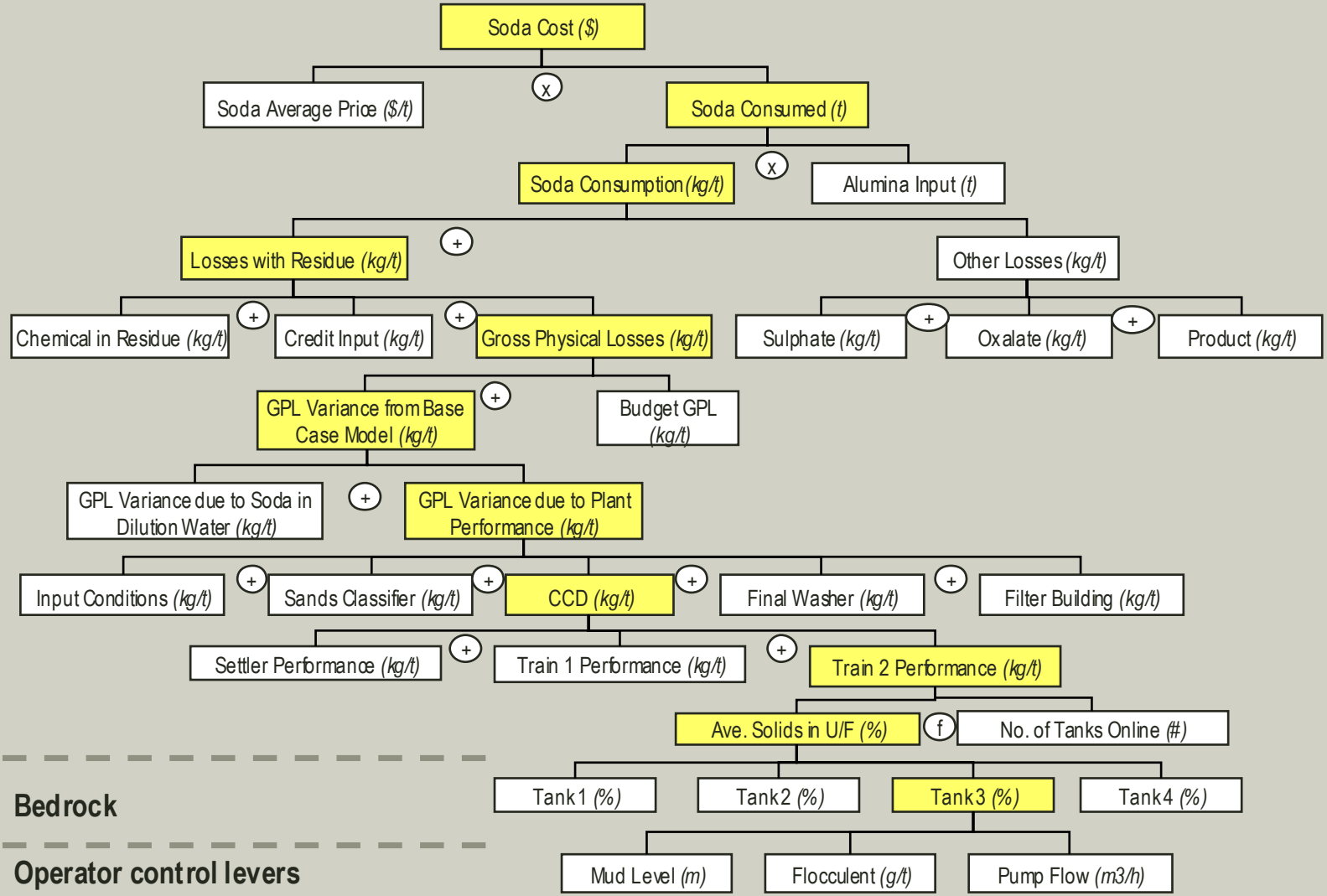


The KPI Process Map lies within a generic negative feedback loop, and identifies "defects" so that they can be corrected (targets change over time to reflect continuous improvement)

KPI Process Map Tool – Example: Overall Performance Tree



KPI Process Map Tool – Example: Caustic Soda Loss



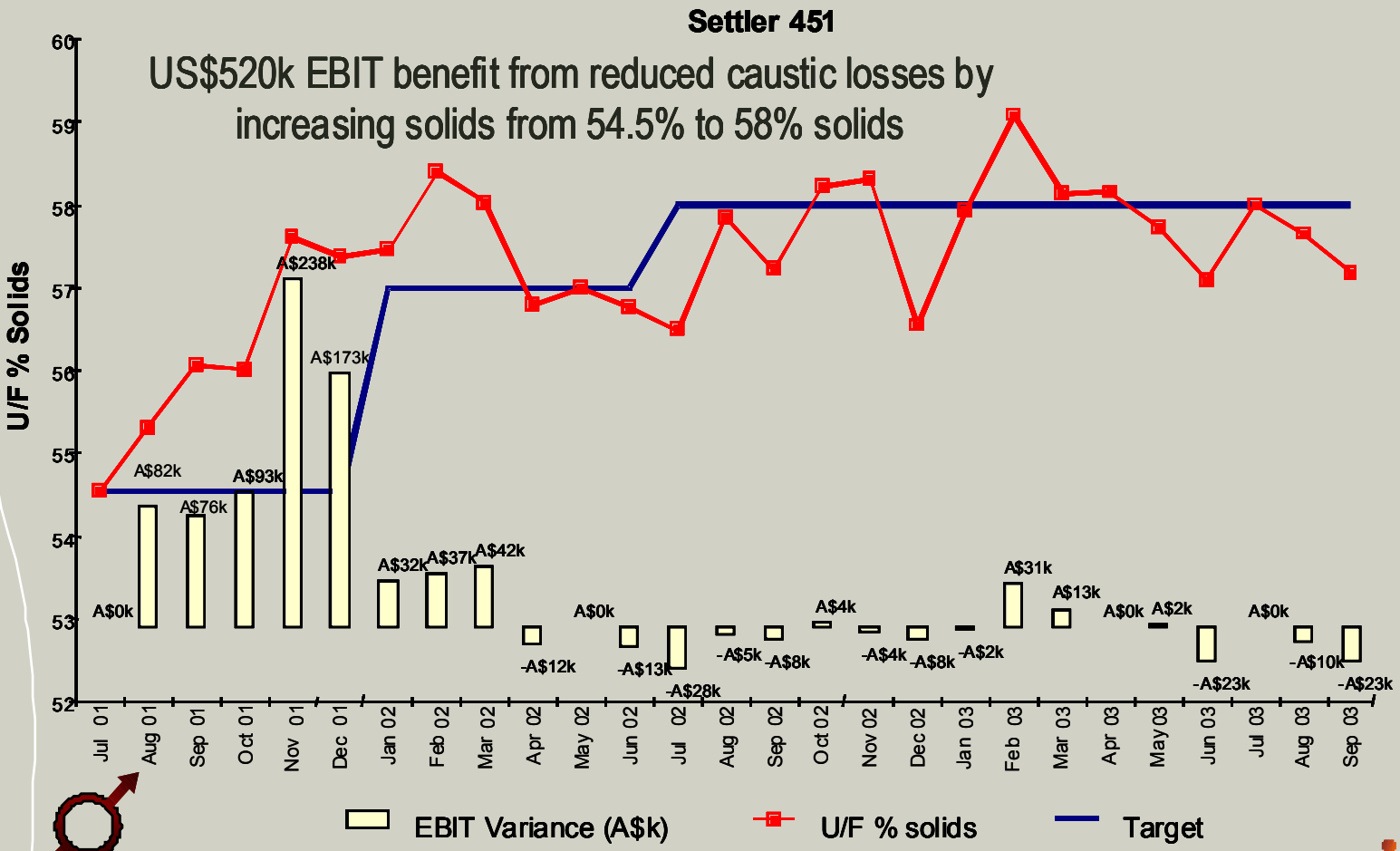
Bedrock

Operator control levers

Information available to Primary Work Group

Sept 03	Actual	Target	$ Effect
Tank 3 U/F solids (%)	37.1	41.0	**A$19k**

Benefits from Monthly Feedback – Caustic Soda Saving



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BCS - Bauxite Residue Disposal Solids

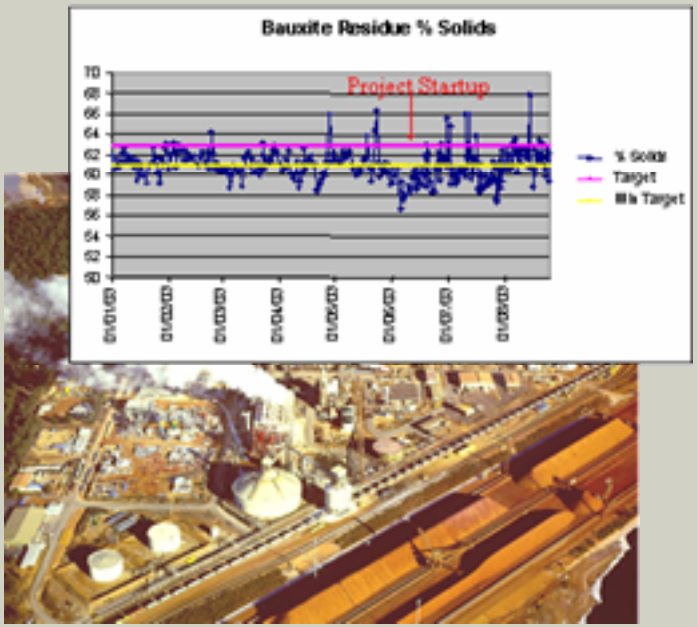
Continuous Improvement Projects a part of the way we do business…

(216 projects currently being implemented and tracked at Worsley)

Measure & Analyse

- Increase in Bauxite Residue Disposal Solids from 61% to 63%.
- Soda Consumption lowered by 4,700 tonnes/year at FY04 Standard Soda Price of AU$219/tonne

Recurring Benefit of AU$1.0 million (pre-tax)



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KPI Review Process – The Visual Workplace

KPI Review L1

Primary Work Groups
on the shop floor

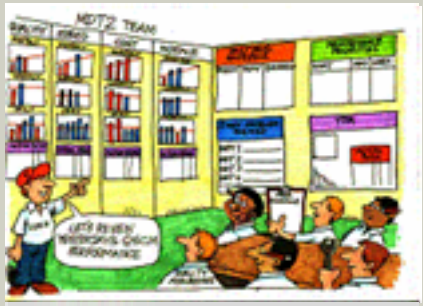
Align:
- Start of shift Toolbox Meeting

Level 1 Teams:

WAPL	BHA	BBA	MOZ
101	86	59	55

KPI Review L2

Cross-functional teams led
by Area Coordinators



Align:
- Area Morning Meetings
- Coordinator's Weekly Meeting

KPI Review L3

The EMT led by the
General Manager

Align:
- Weekly EMT Meeting
- Monthly KPI Map Review

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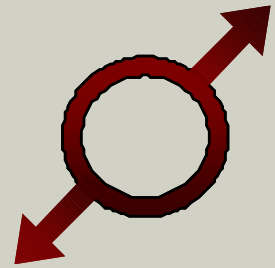
Future Growth

Ian Jacobson

Vice President – Technical

Chief Operating Officer



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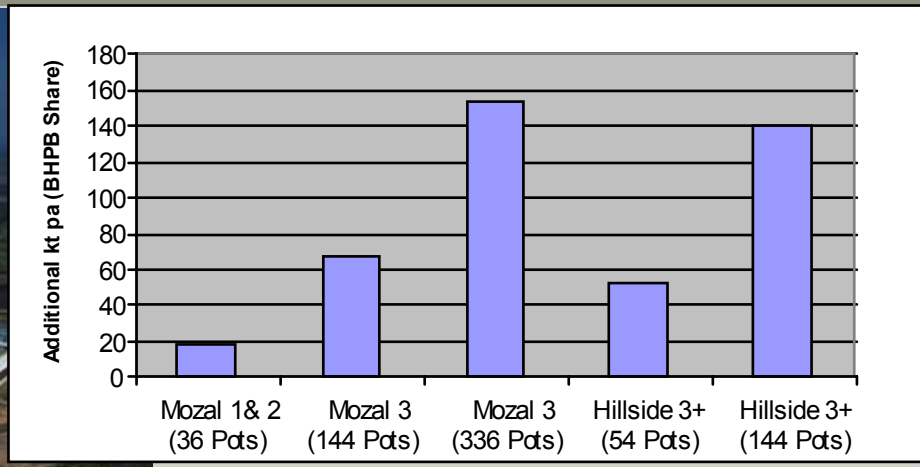
Southern African Brownfield Expansion Opportunities



Hillside & Mozal

- Increase current to at least 350kA, increasing production by 5% or more at little capital cost
- Improve current efficiency
- Extend existing potlines subject to power constraints

Worsley Expansion to 3.5mtpa

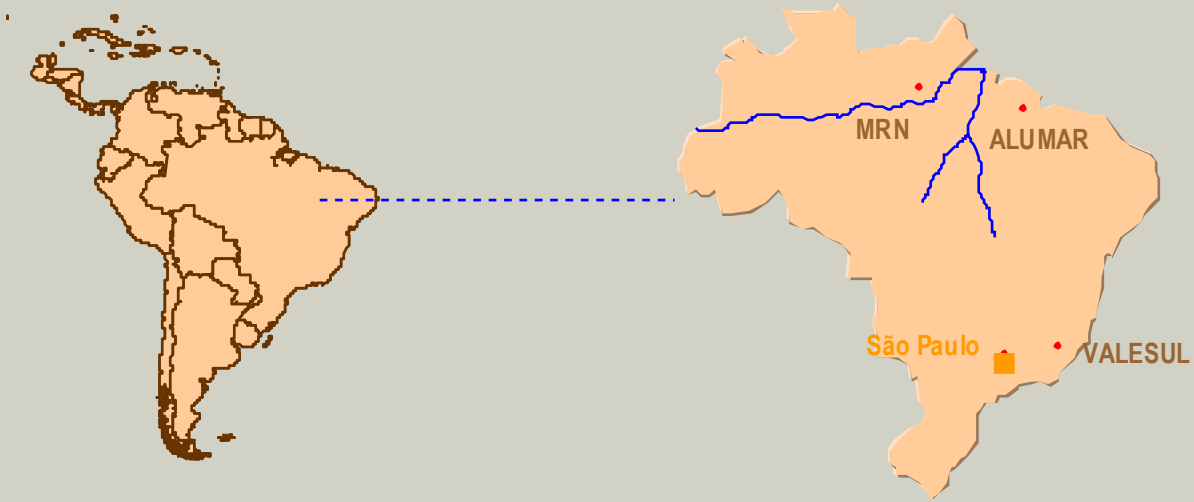
- Complete feasibility study Q4 FY04
- Estimated cost < US$500 per annual tonne
- Production would commence Q3 FY06

Worsley Expansion beyond 3.5mtpa

- Constrained by capacity of overland conveyor system, but expect > 4.0mtpa
- Presently undertaking a conceptual study
- A similar cost to the 3.5mtpa expansion is expected

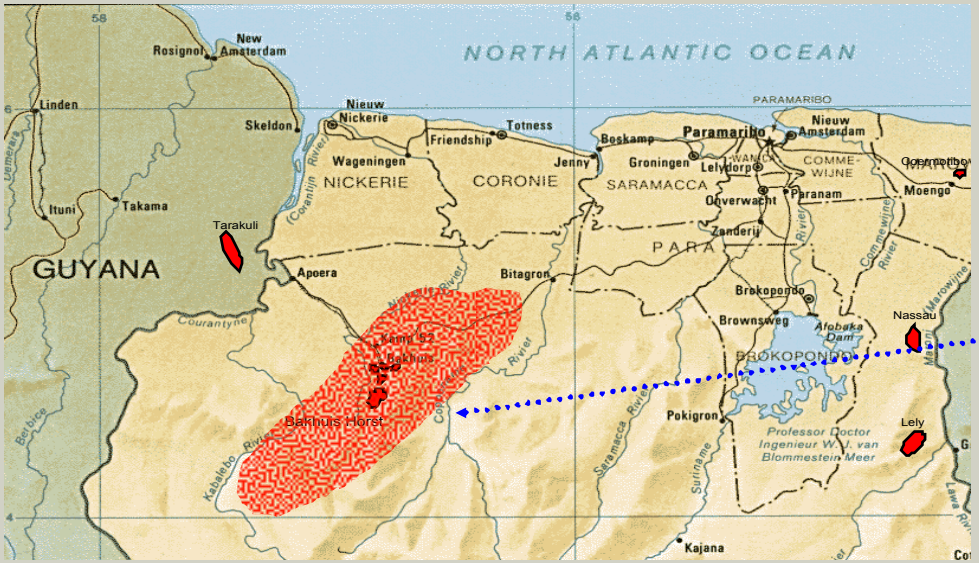
Brazil

- Alumar Refinery creep from 1.3mtpa to 1.5mtpa by 2007
- Further potential for Alumar Refinery expansion to 3.0mtpa
- The bauxite for our share of the Alumar Refinery expansion is in place
- Alumar Smelter Line II full production by Q3 FY04
- Potentially short of power – BHP Billiton addressing by pursuing own generation capacity, in conjunction with its JV partners (Machadinho, Estreito)



Suriname

- Alignment of BHP Billiton & Alcoa Interests under new agreement gives BHP Billiton access to new bauxite areas & cost efficiencies
- Paranam refinery creep / expansion from 1.95mtpa to 2.3mtpa by Q1 FY06 (US$65 million total, BHP Billiton US$29 million)
- Ongoing cost improvement initiatives and evaluation of further expansion potential
- Western Suriname (Bakhuis) exploration under way



Bakhuis Area

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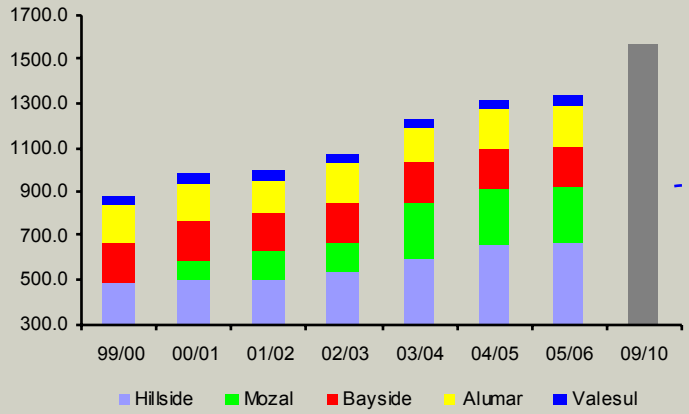
BHP Billiton Aluminium and Alumina Production

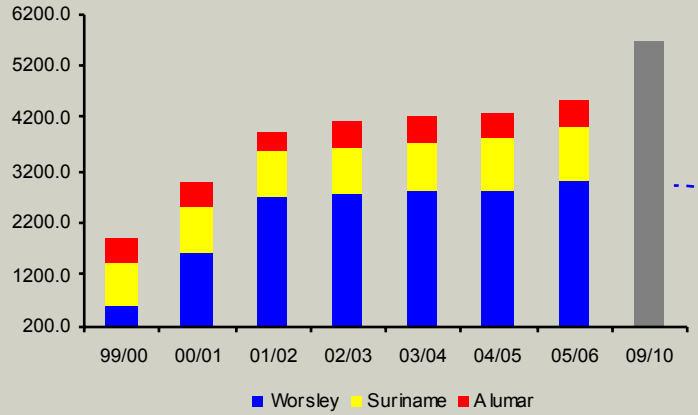
How our portfolio might look in 2010, after harvesting our brownfield potential

Aluminium Production



- Mozal III
- Hillside III – add 54 pots
- Current to at least 350kA

Alumina Production



- Worsley to 4.1mtpa
- Alumar to 3.0mtpa
- Suriname to 2.3mtpa

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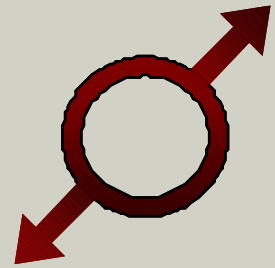
Finance

Alex Vanselow

Vice President and Chief Financial Officer



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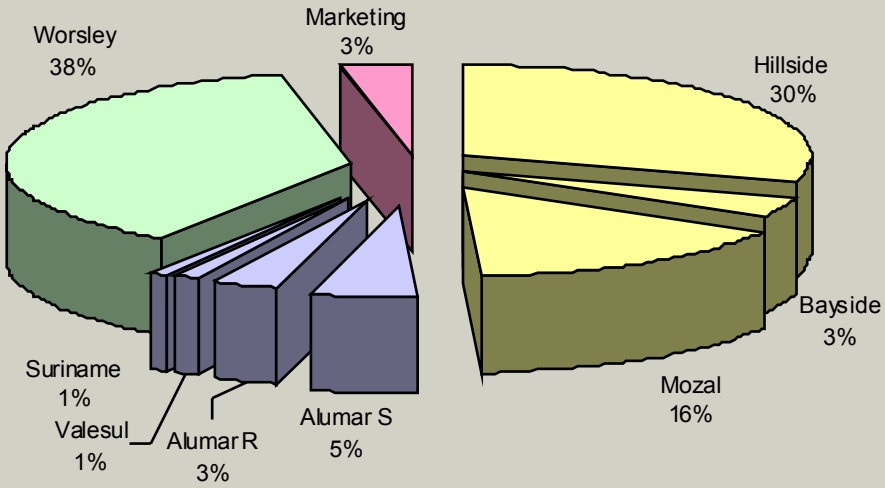
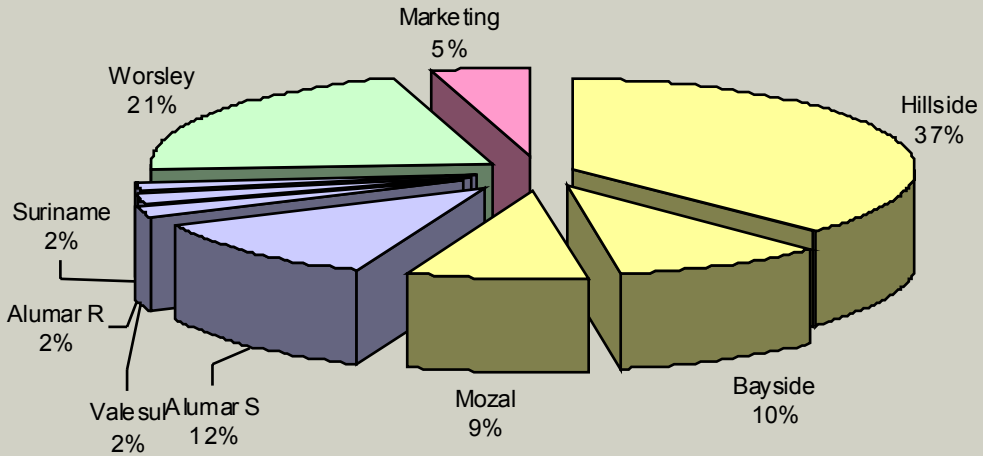
Net Operating Assets and EBIT– June 2003 Year End



Net Operating Assets

$5.1billion

$582 million



EBIT

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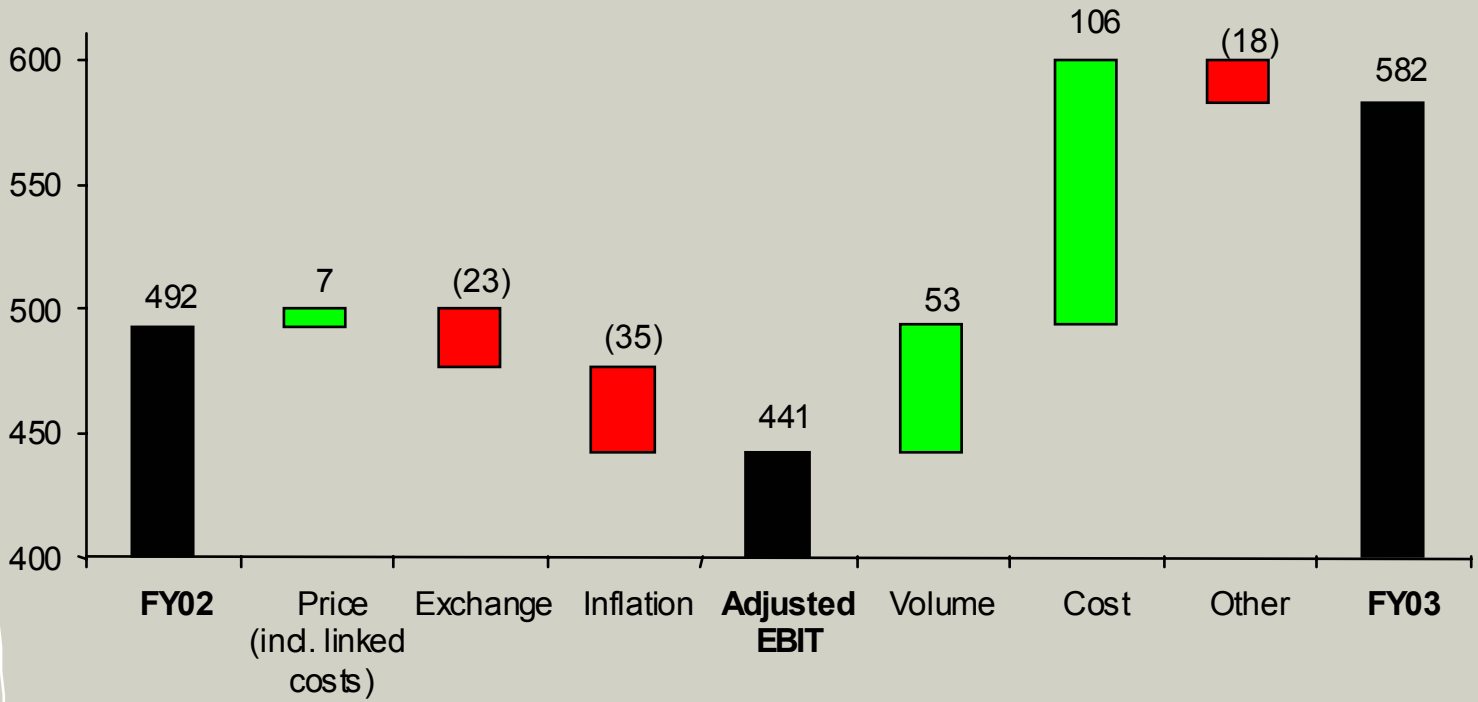
EBIT Variance Analysis ($M)



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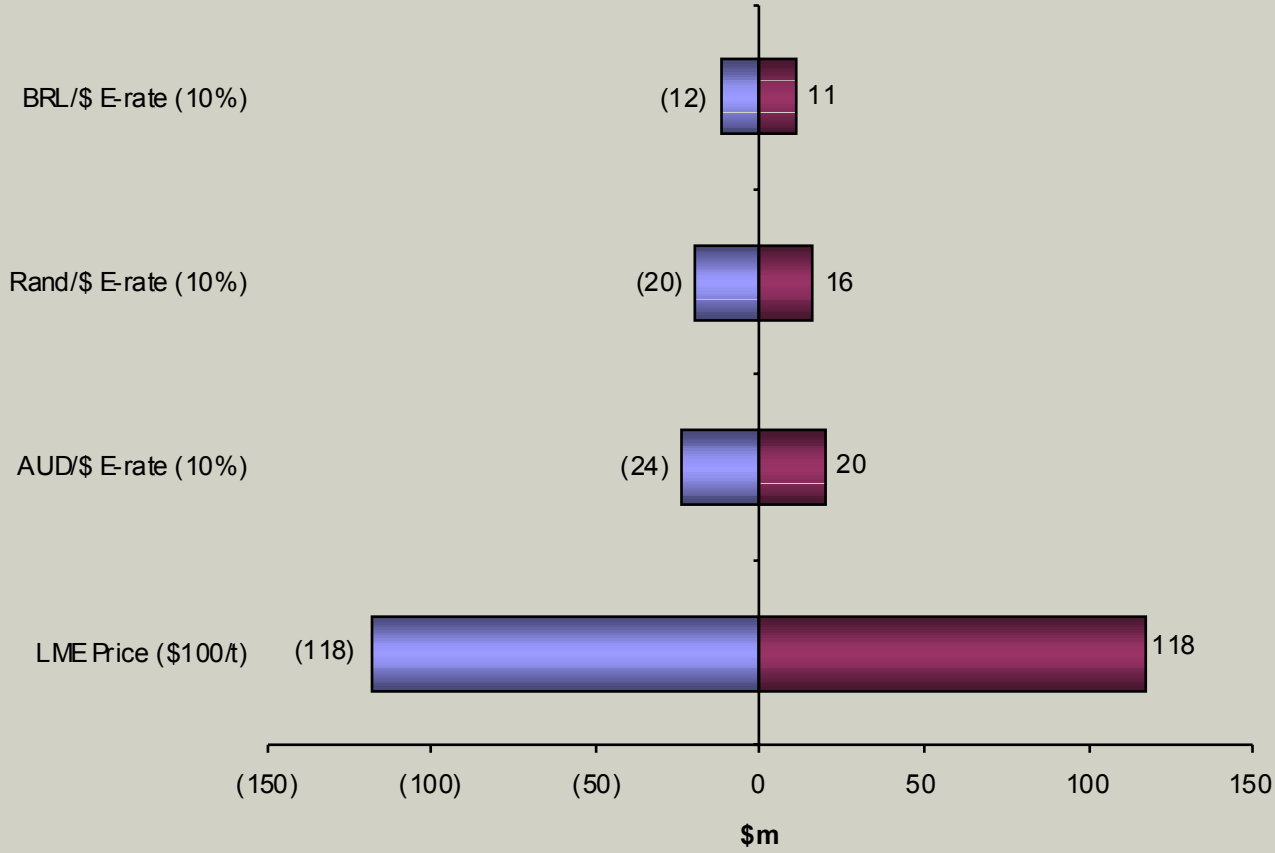
EBIT Sensitivity Analysis



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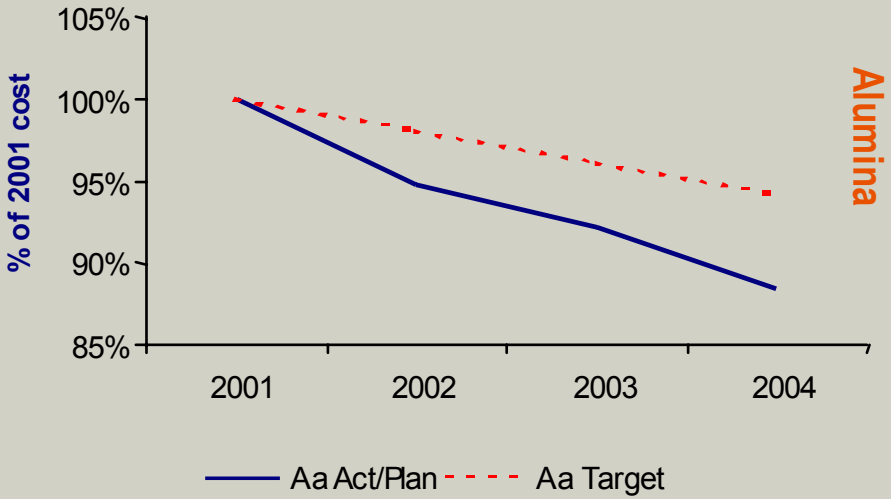
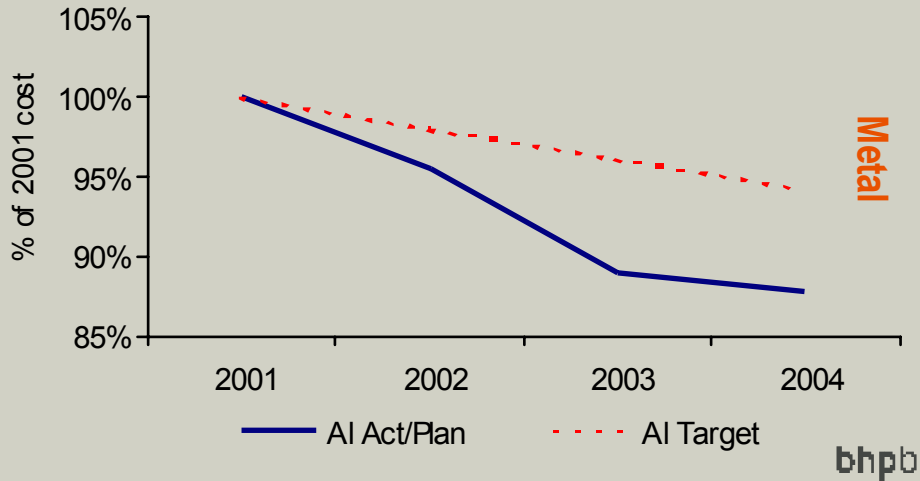
Unit Cost Performance (Normalized)

Normalized for LME, Exchange and Inflation





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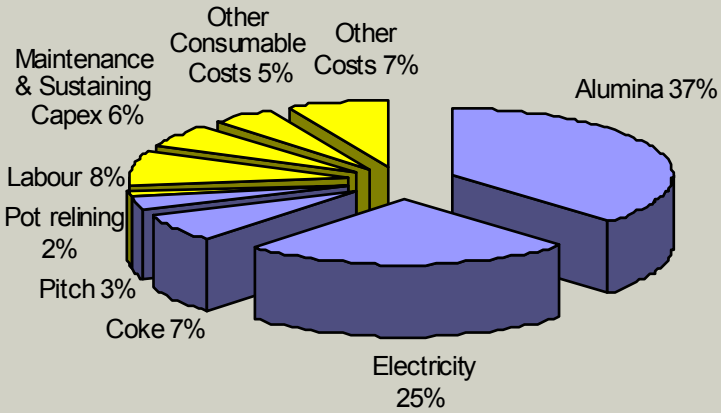
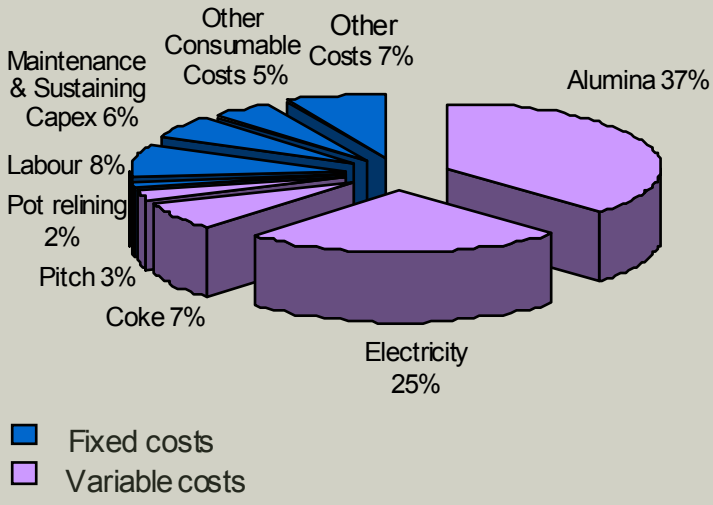
Metal Cash Costs





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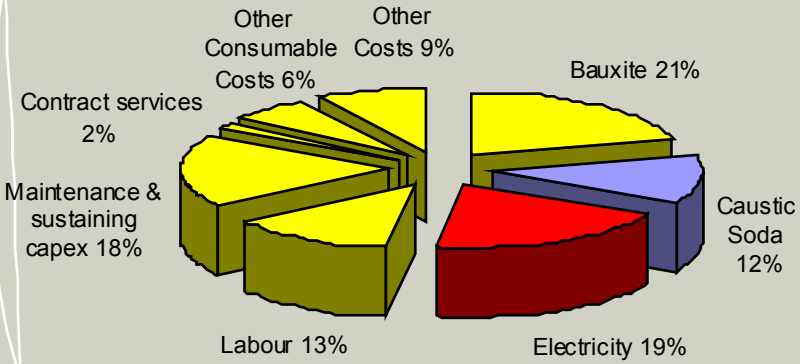
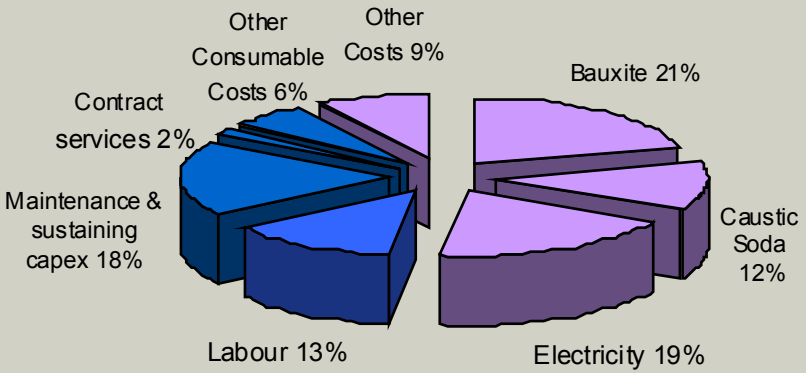
Alumina Cash Costs



- US$ based costs
- Local currency based costs
- Local currency and US$ based costs



- Fixed costs
- Variable costs

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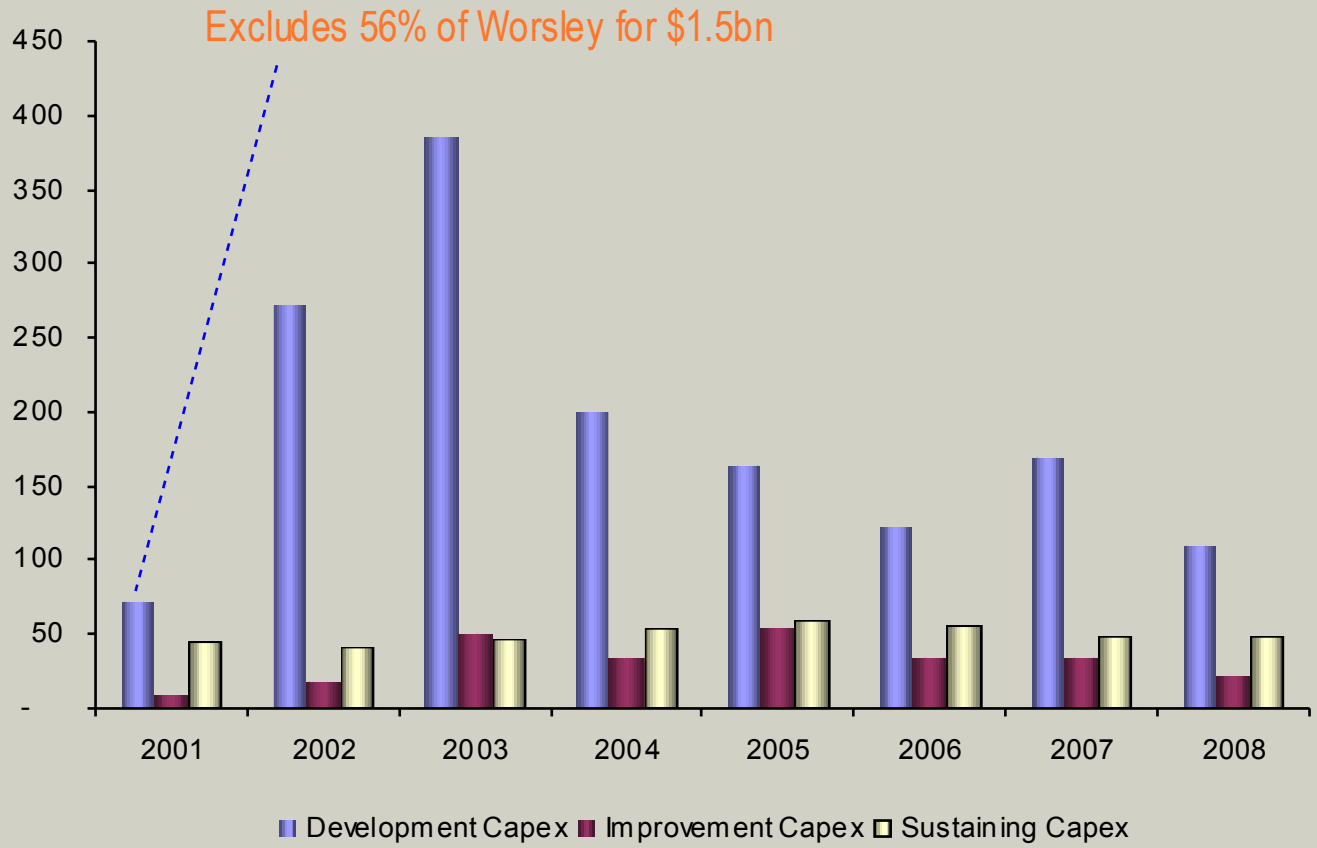
Capital Expenditure



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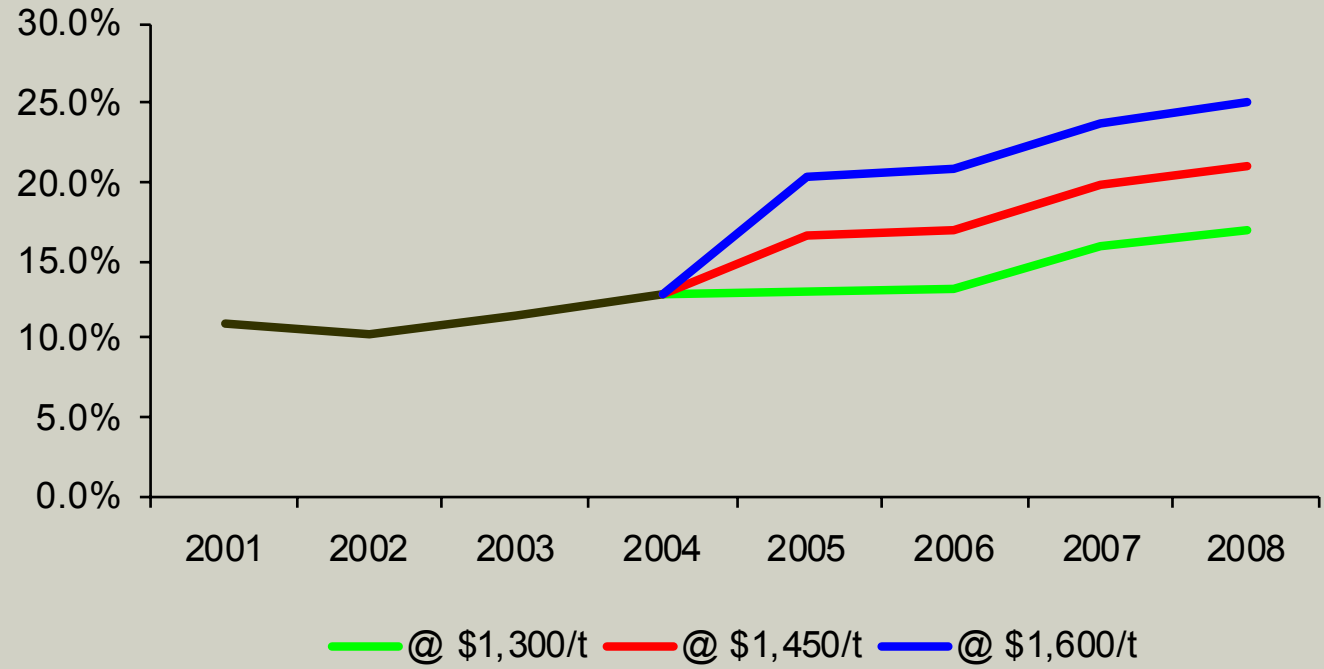
EBIT ROC based upon different real prices in 2005-08

June Year End



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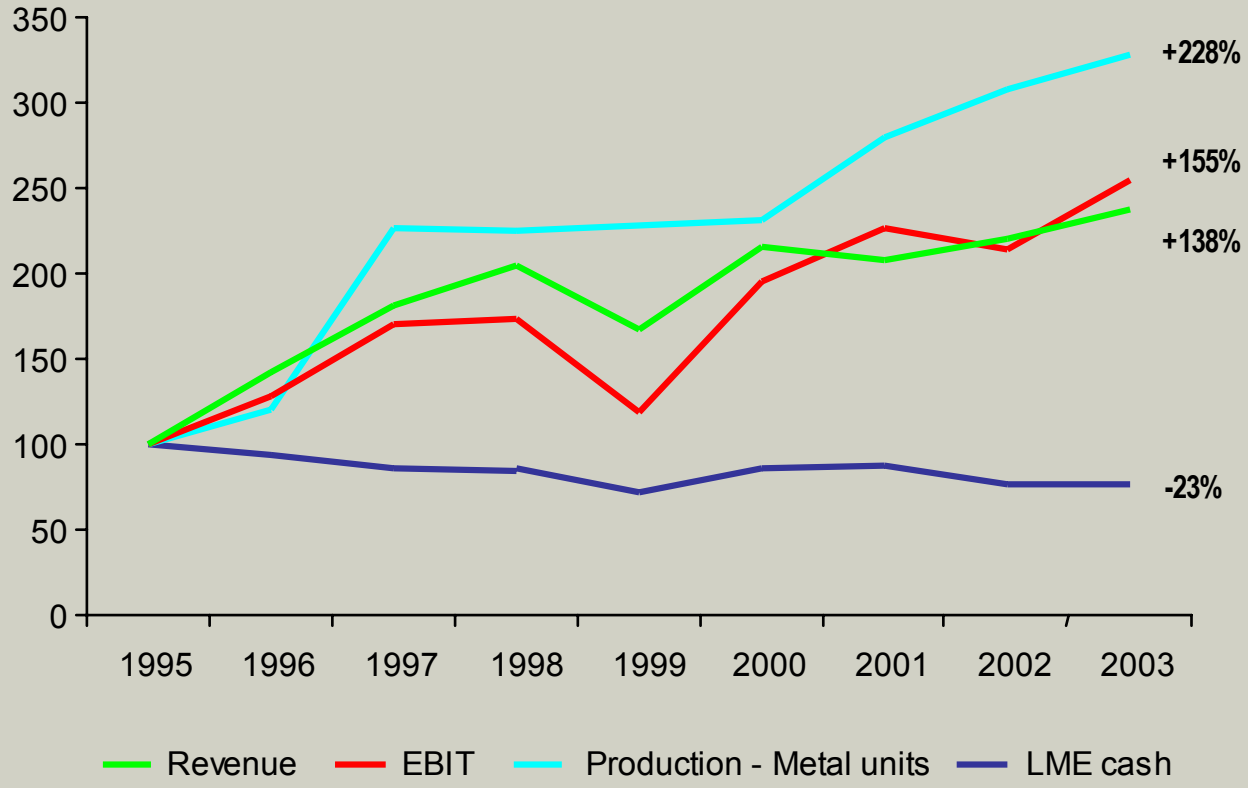
BHPB Aluminium Growth Indexed to 100 (Base Year 1995)



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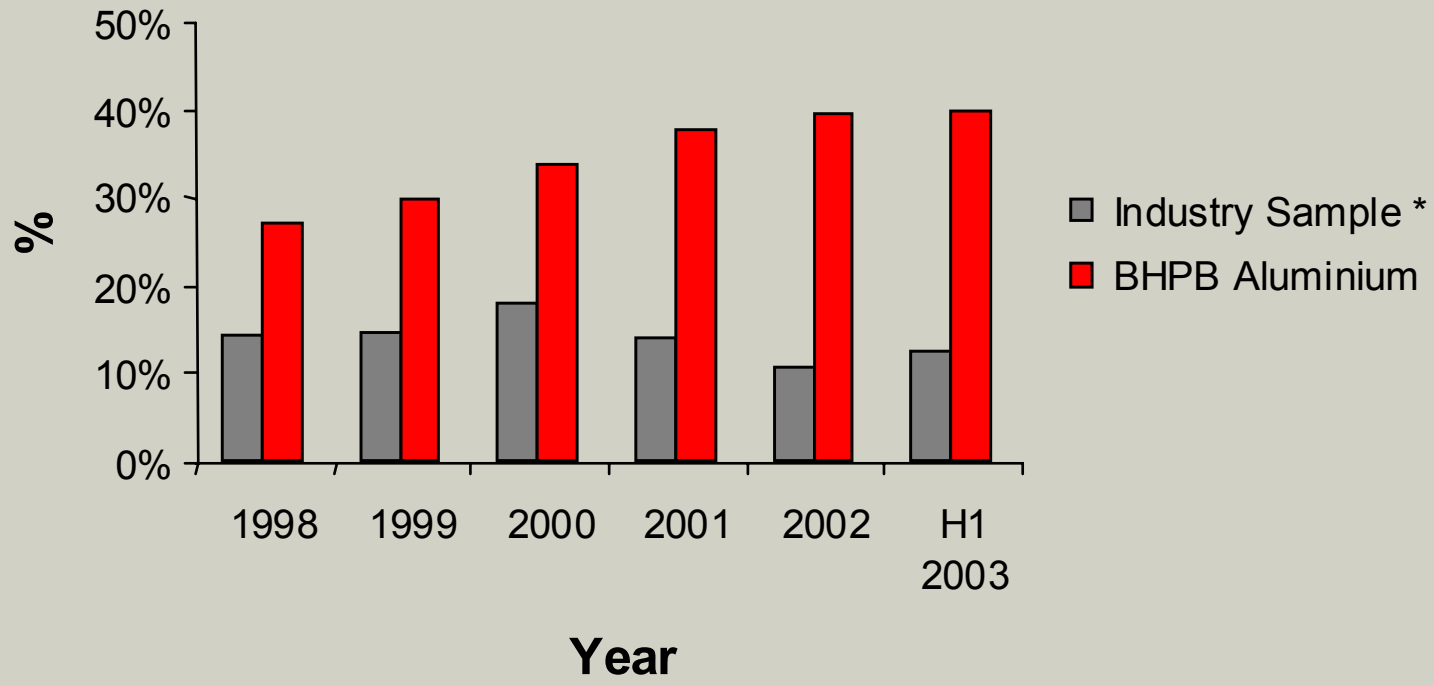
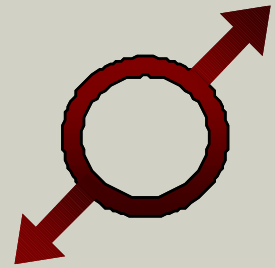
EBITDA Margins (Calendar Years)



* Alcoa, Alcan, Pechiney, Norsk Hydro Aluminium, Comalco, Chalco, Kaiser, Century and Reynolds

Conclusion

Mike Salamon
Executive Director
Senior Minerals Executive
President Aluminium



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Key Messages

- Quality of asset portfolio - Upstream → **Metal**, **Alumina**
- Opportunity for significant further improvement
- Still brownfield opportunities to harvest
- Change in growth emphasis → Aluminium to Alumina
  - Response to supply / demand evolution in China
  - Where we believe the greatest source of future rent lies