

BHP Billiton – Latin America

Presentation to Analysts

April, 2004



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Brazil

Aluminium

Carbon Steel Materials

Development



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Brazil – Introduction



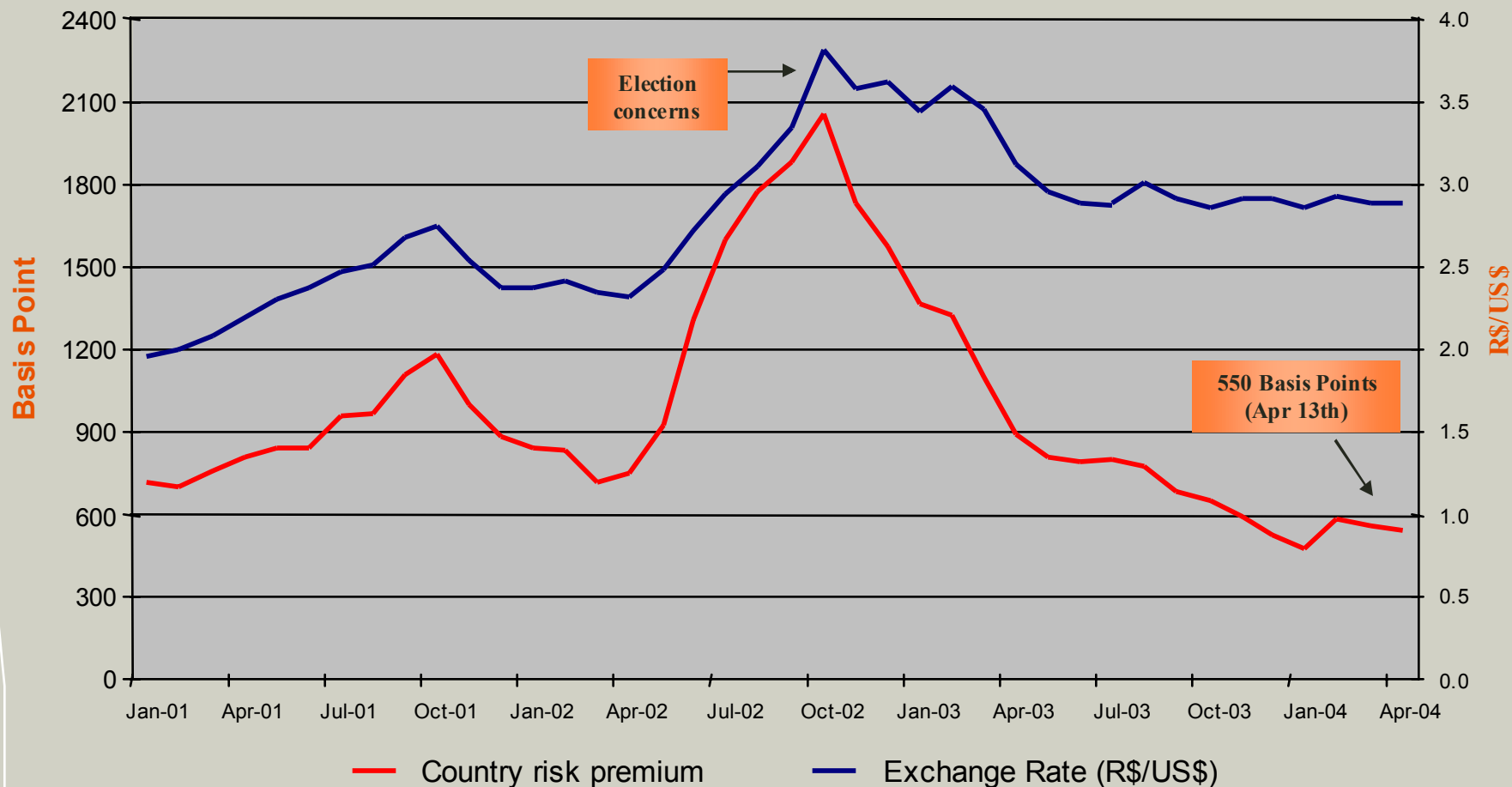
- Population: 178 million (5th in the world)
- Area: 8,515,000 Km²
- GDP per capita: US\$2,961
- Life expectancy: 69 years
- The pace of economic recovery has moderated; labor market conditions weak
- Interest rate in decline (16% p.a.); inflation under control
- Exports at record levels, supporting the currency

Brazil – Macroeconomic Figures

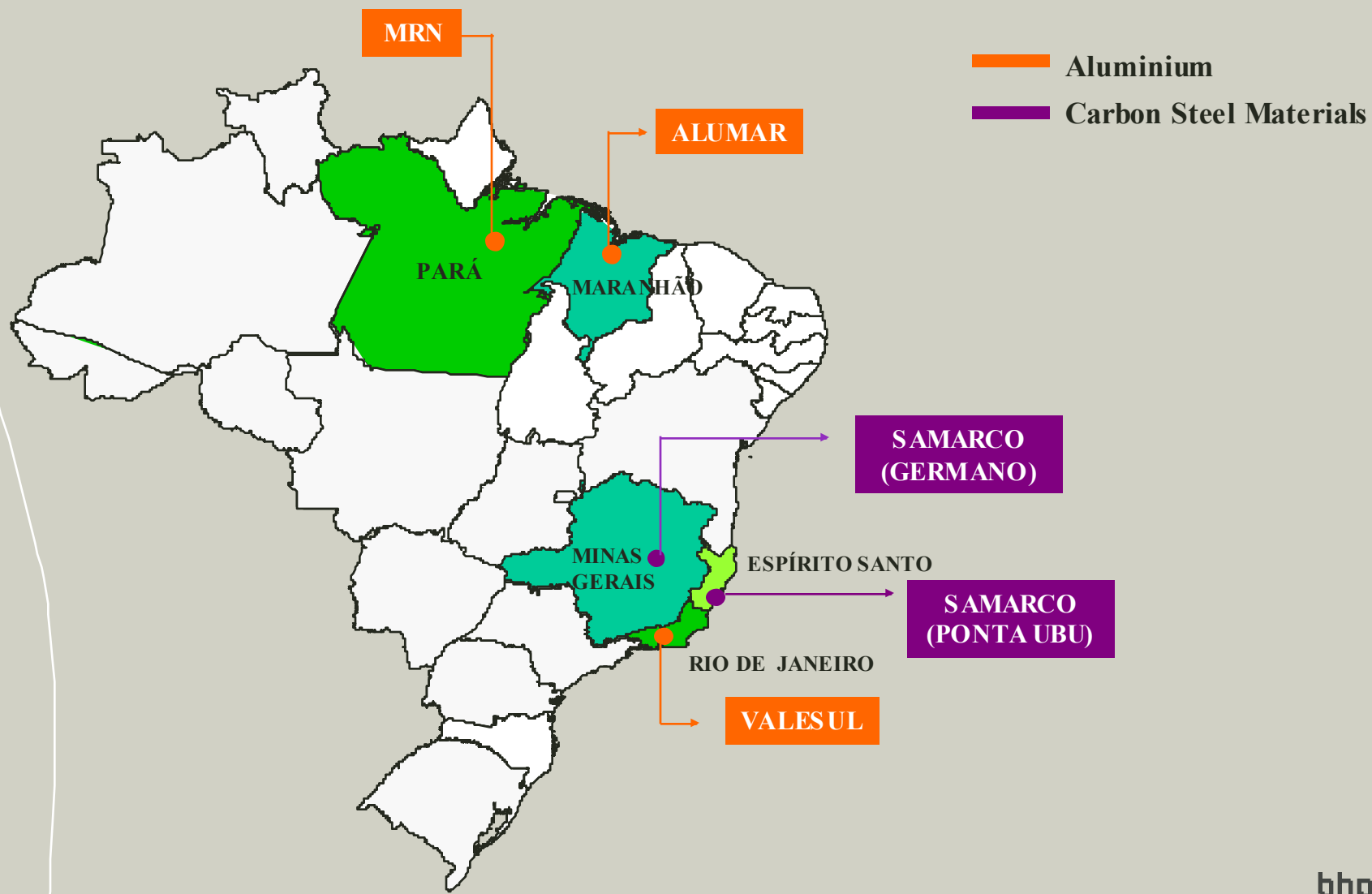
	<u>2002A</u>	<u>2003A</u>	<u>2004F</u>
GDP Growth	1.9%	- 0.2%	3.5%
Inflation rate (IPCA)	12.5%	9.3%	5.3%
Exchange rate (end of period)	3.53	2.89	3.10
Interest rate (average)	19.1%	23.2%	14.9%
Unemployment (average)	11.7%	12.4%	11.7%
Trade balance (US\$ Billion)	13.1	24.8	25.4
Foreign Direct Investment (US\$ Billion)	16.6	10.1	15.0
Net Public Sector Debt (% of GDP)	55.5	58.2	57.6

Brazil – Country Risk Premium

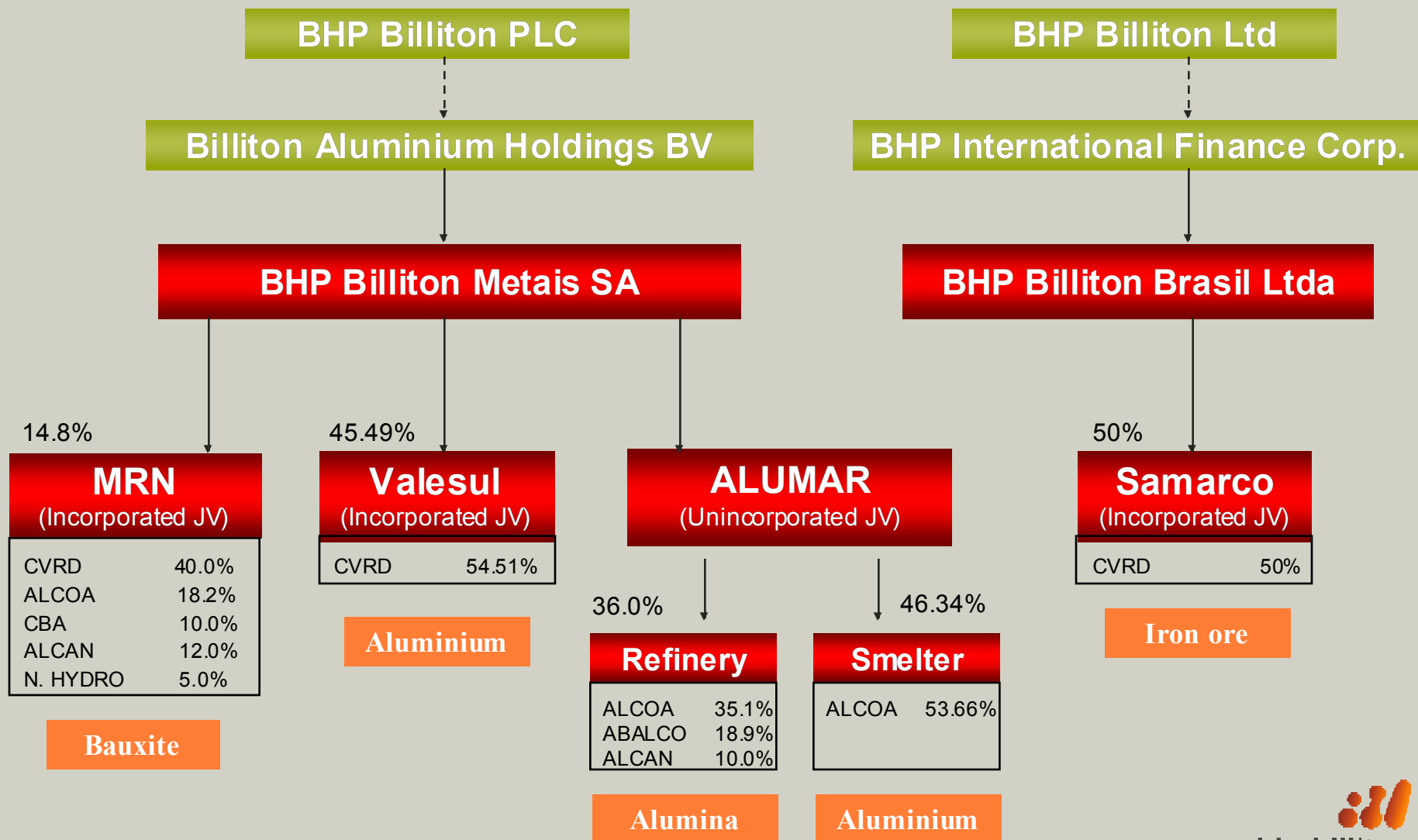
Country risk back to 1998 level & Exchange Rate Stable



Assets:



Structure



Revenue and EBIT Contribution (US\$ million)

	<u>2000 / 2001</u>	<u>2001 / 2002</u>	<u>2002 / 2003</u>
Revenue	548	504	616
EBIT	166	136	193

BHP Billiton Brazil's Mission

To Add Value to BHP Billiton Businesses in Brazil

- Be the custodian of the BHP Billiton Charter with emphasis on HSEC Zero Harm
- Active participation in JV Leadership, Business Improvement and Growth
- Provide Finance, HR, Legal, IT and Administrative support
- Local knowledge supports individual CSG needs
- Promote standardization and alignment of JVs with BHP Billiton's best practices

Aluminium CSG (Total Production in '000t in fiscal years)

- ▲ Smelter
- Mine
- Refinery

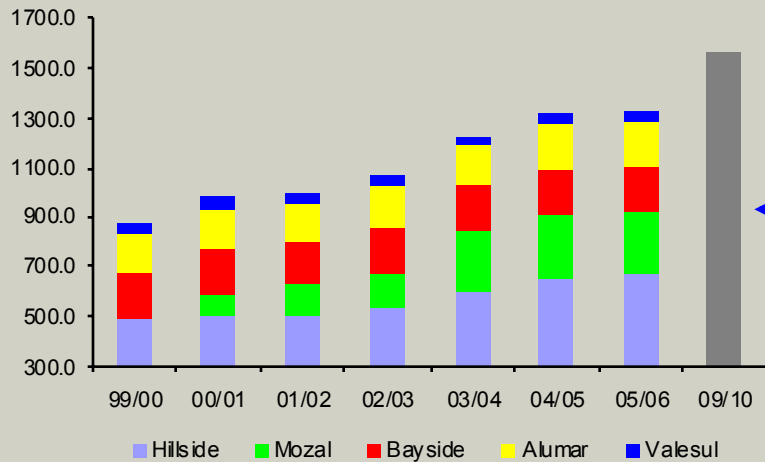


<u>Production ('000 tonnes)</u>	<u>1999/00</u>	<u>2000/01</u>	<u>2001/02</u>	<u>2002/03</u>	<u>2003/04</u>	<u>2004/05</u>
Aluminium	883	981	992	1,074	1,250	1,300
Alumina	1,878	2,939	3,942	4,092	4,200	4,300
Bauxite	5,744	9,795	13,097	13,669	14,000	14,000

BHP Billiton Aluminium and Alumina Production

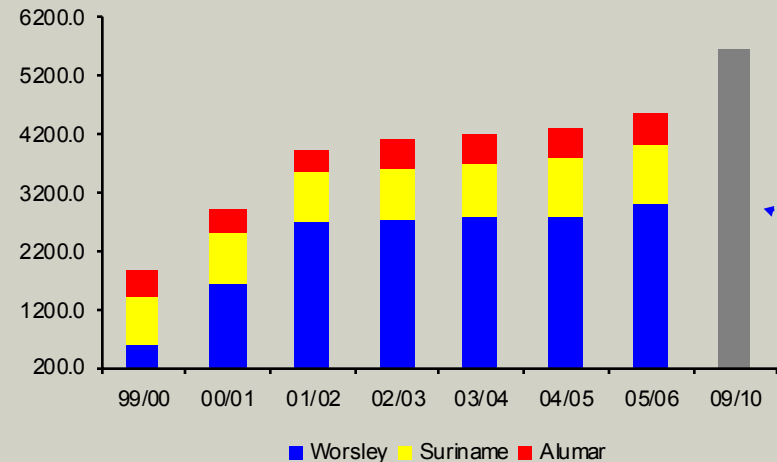
How our portfolio might look in 2010, after harvesting brownfield potential

Aluminium Production



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

Alumina Production



- Worsley to 4.1m tpa
- Alumar to 3.3m tpa
- Suriname to 2.3m tpa

MRN

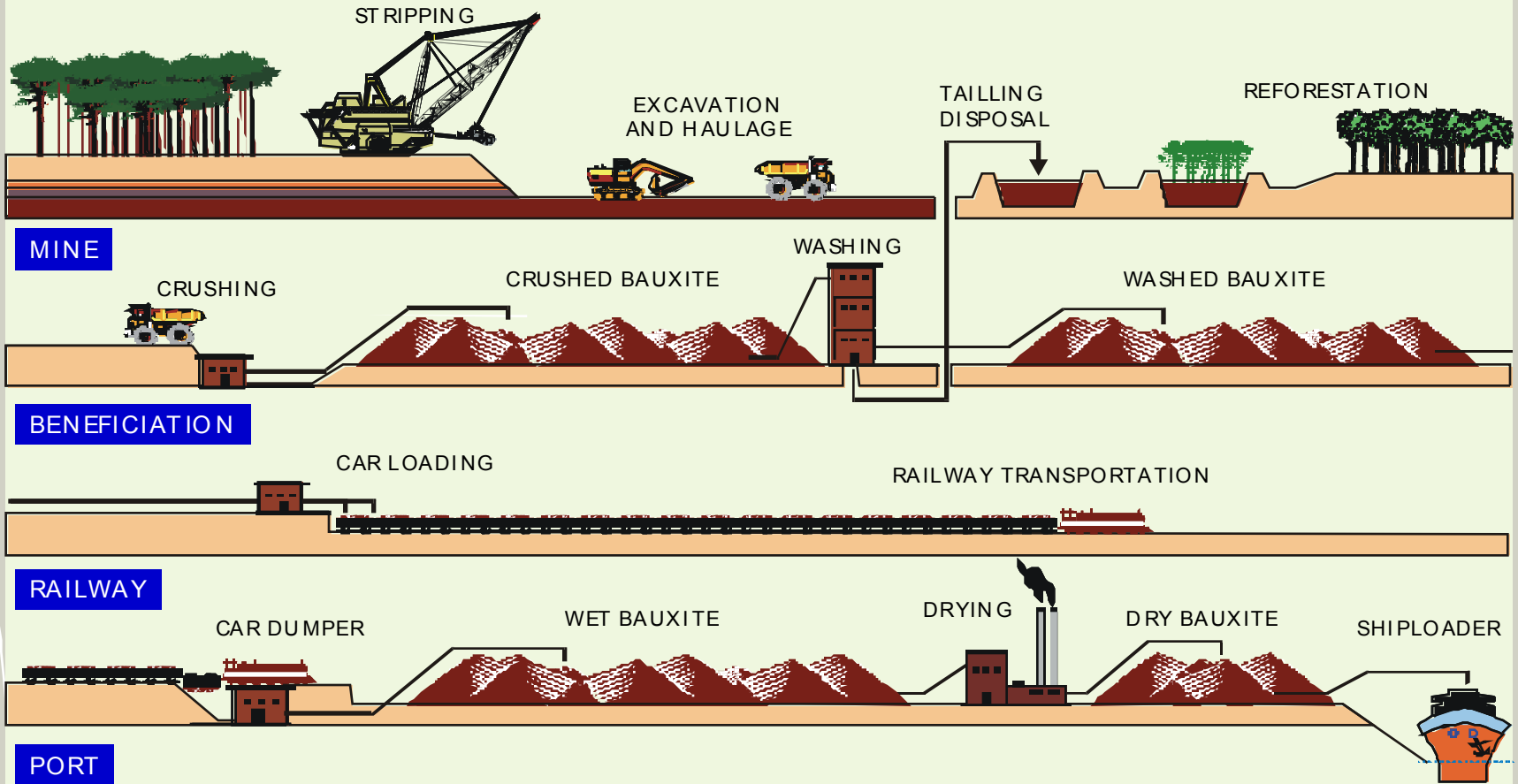
MRN Mineração
Rio do Norte



- **Bauxite mine located in Pará state, set up in 1974**
- **Expansion to 16mtpa capacity in 2003**
- **ISO 14001 and OHSAS 18001 certifications**
- **Reserves of 800 million tonnes**

MRN Production Process

OPERATION SEQUENCE



Valesul



- **Primary aluminium smelter, capacity 93ktpa**
- **Joint Venture with CVRD, commissioned in 1982**
- **Equity in 4 hydro power plants – approx. 40% of needs**
- **ISO 9002, ISO 14000 and BS 8800 certification**
- **Focus on VAP (billet & primary alloys)**

Alumar



- **Consortium (UJV) with Alcoa, Alcan and Abalco**
- **Comprises:**
 - **Alumina refinery – 1.35mtpa (36% BHP Billiton, 54% Alcoa associate companies, 10% Alcan)**
 - **Aluminium smelter – 375ktpa (46% BHP Billiton, 54% Alcoa)**
- **ISO 9002, ISO 14001 and OHSAS 18001 certification**



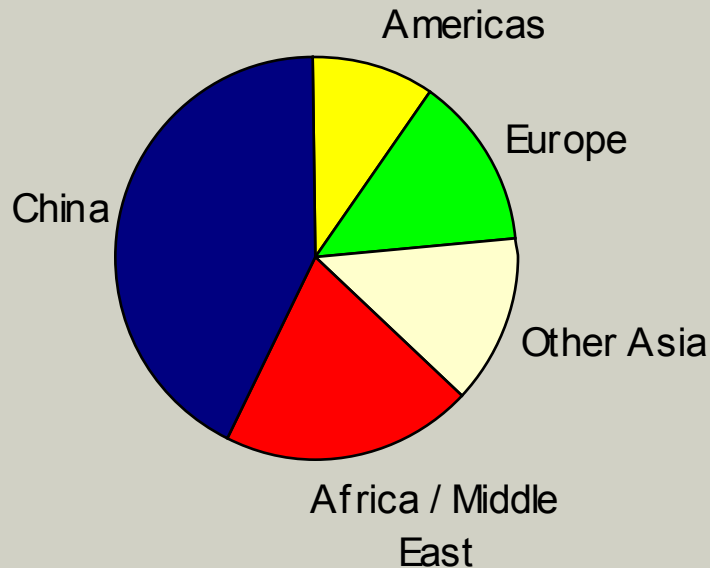
Alumar Refinery Expansion

- Refinery debottlenecking from 1.35mtpa to 1.5mtpa approved
- Alumar Consortium members studying a further expansion to 3.3mtpa
- Decision expected late 2004 with first additional production late 2006
- Estimated unit capital cost of approx. US\$400/t capacity and reduction in cash operating costs make this a very attractive project

Brazil

Carbon Steel Materials





Sales breakdown 2003
(100% export market)

- Joint Venture with CVRD – 26 years of operations
- Two industrial facilities linked by the longest iron ore slurry pipeline in the world
- Extensive iron ore reserves
- 2 Hydroelectric power plants produces 30% of Samarco needs
- ISO 9002, ISO 14001 and OHSAS 18001 certification



Samarco Expansion

- **Brown field expansion project pre-feasibility study being carried out**
- **50% capacity increase: from 14mtpa to 21mtpa**
- **Capital requirement - US\$550 million**
- **Decision foreseen around first quarter 2005 and first additional production targeted for third quarter 2007**

Brazil

Other Activities

Exploration and Development Opportunities

Minerals

<u>Commodity</u>	<u>Region</u>
Copper, Silver, Lead & Zinc	Pará, Bahia & Maranhão
Iron Ore	Minas Gerais
Bauxite	Pará/Amazonas
Copper-Nickel	Mato Grosso/ Rondônia

Petroleum

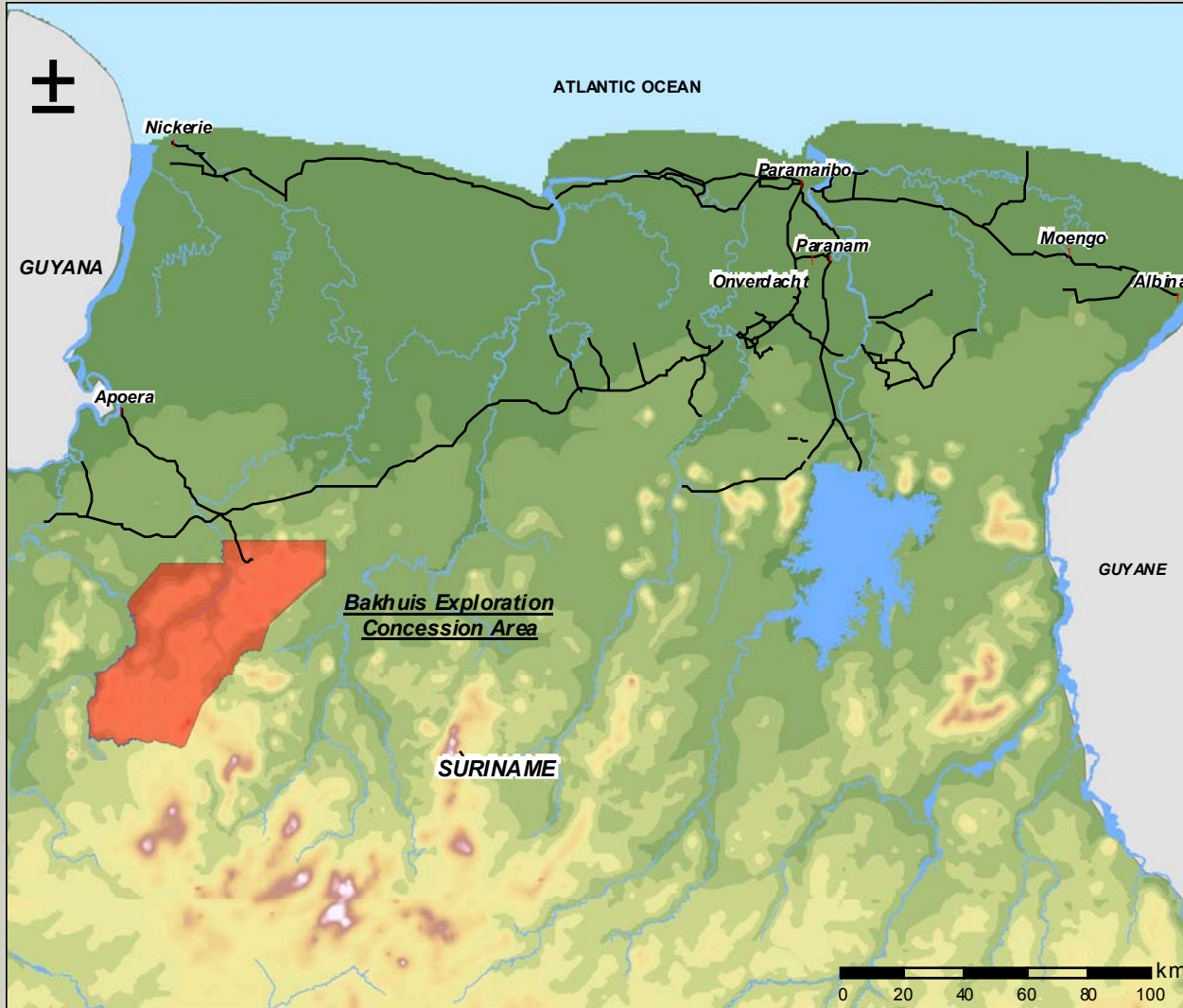
- Acquired Block BM-C-24 located at Campos Basin (off Rio de Janeiro State) in June 2002
- Evaluating exploration potential

Suriname

Growth



Location



Bakhuis Exploration

- Commenced a \$8.5 million exploration program
- Targeting approx. 300 Mt+ bauxite by end 2005
- Hill type bauxite situated in Western Suriname
- Historic exploration estimated 300 – 400 Mt
- Quality issues with historic data – new exploration under way

Integration (Aug 2003) of BHP Billiton & Alcoa Interests

- **Old BMS – bauxite miner with 45% equity interest in alumina refinery (Suralco operated)**
 - Lelydorp III Mine (BMS –76 %, Suralco – 24%)
 - Coermotibo Mine (Suralco – 100%)
 - Mine closures in 2006/7
- **New BMS – alumina producer (45% interest in mines and refinery)**
 - BMS manages bauxite mining, Suralco manages alumina refining
 - Continuity (planning successor mines well advanced)
 - Growth:
 - Paranam refinery expansion from 1.95mtpa to 2.2mtpa underway (first production early 2005)
 - Bakhuis
 - Synergies
 - Alignment of shareholder equities
 - Alignment of processes
 - Focus on output