

PROJECT RISKS & RETURNS

CRU Aluminium Conference
New York City 13th – 15th June 2004

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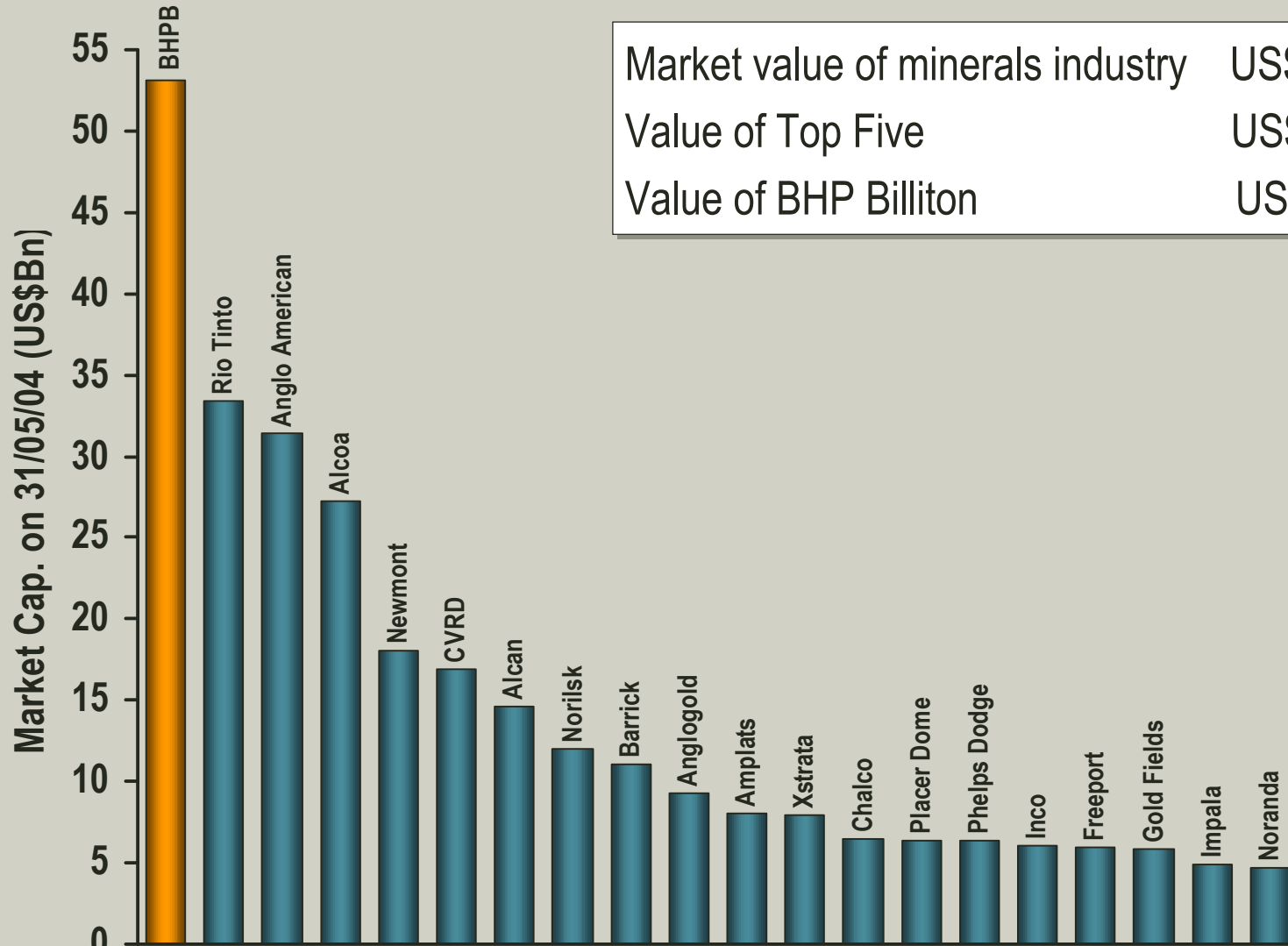
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The largest company in a consolidating sector

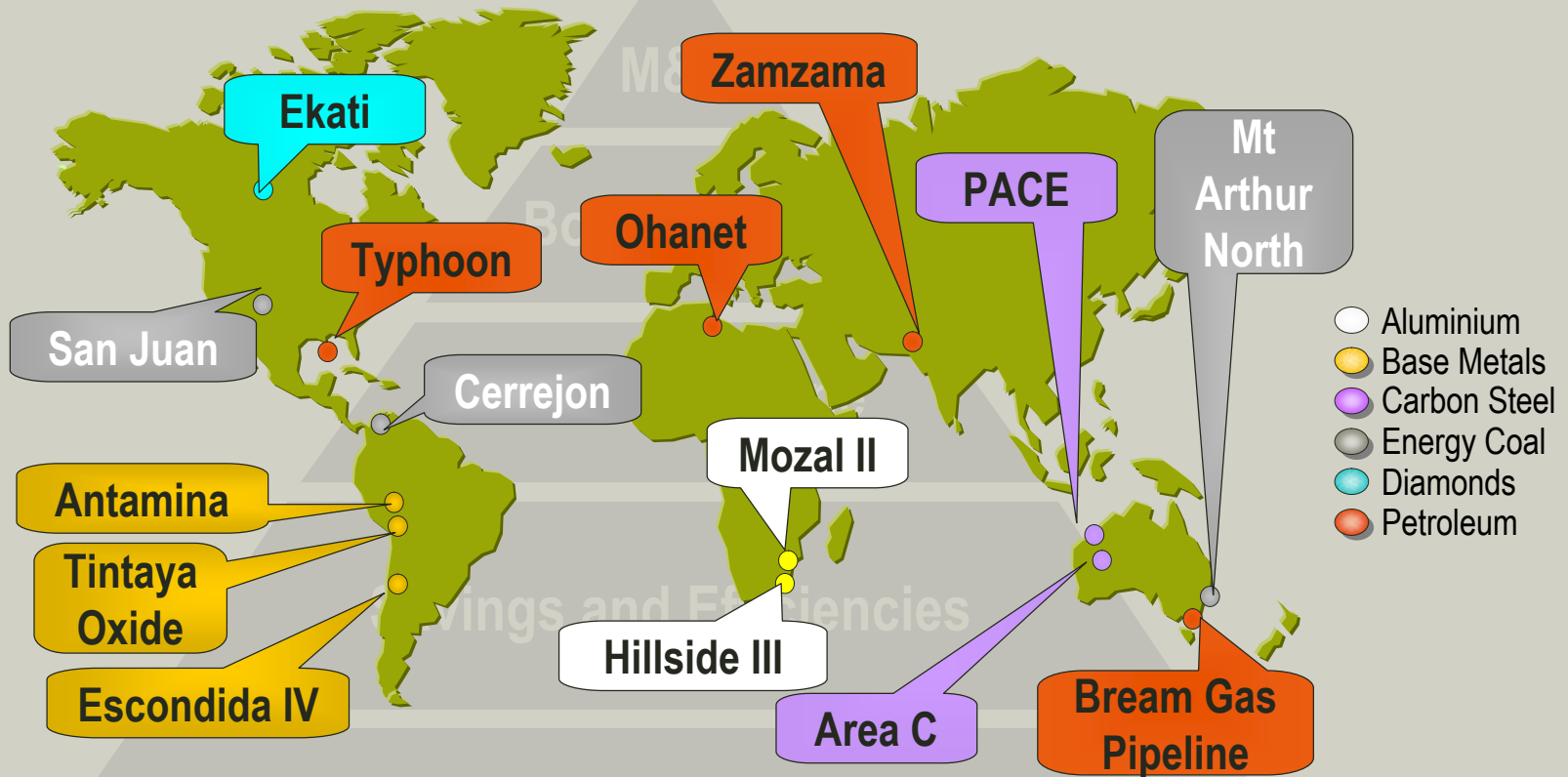


Market value of minerals industry	US\$387 bn
Value of Top Five	US\$163 bn
Value of BHP Billiton	US\$ 53 bn

Source: Datastream

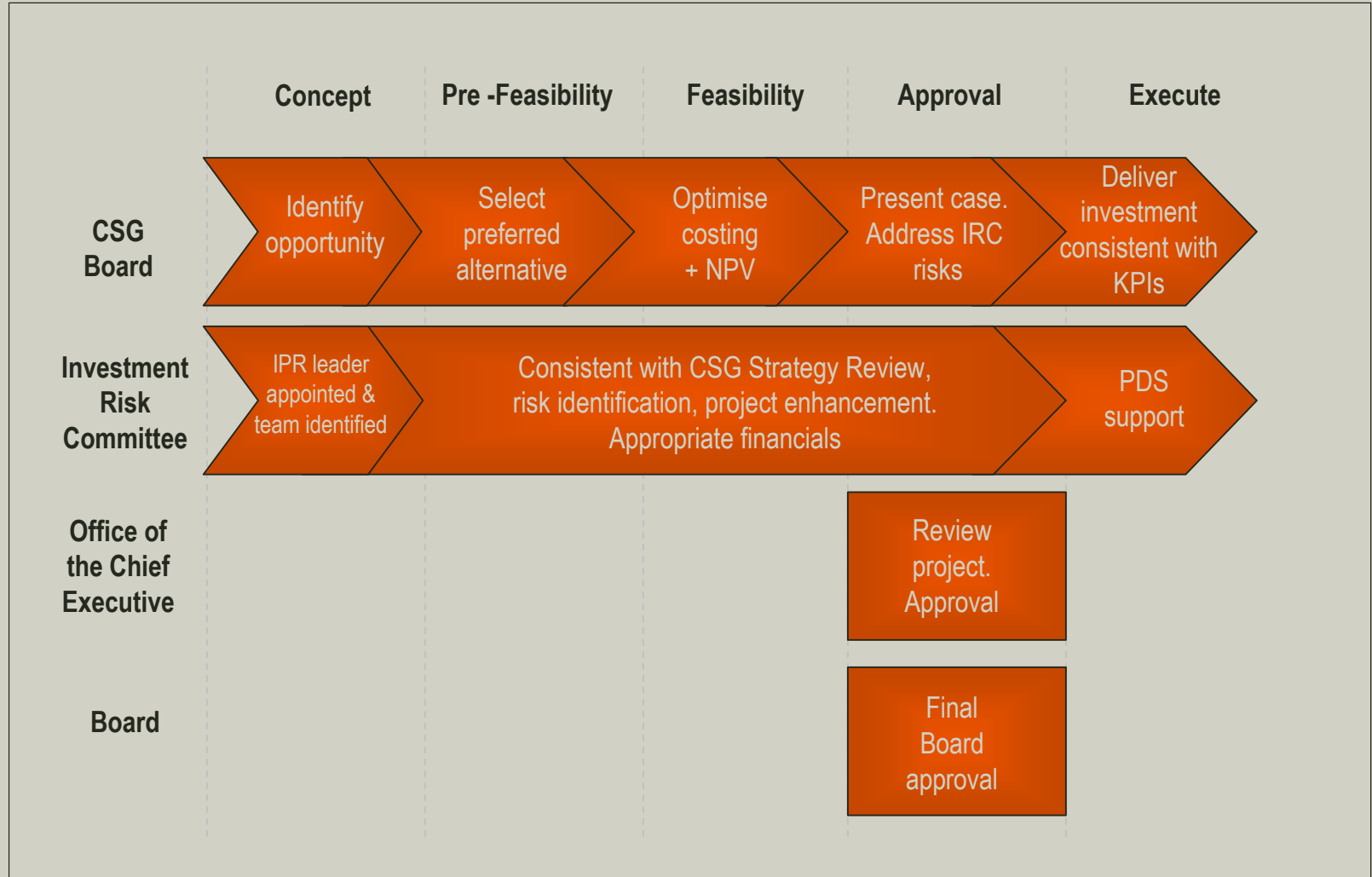
Reinvested for growth

Growth projects delivered since July 2001

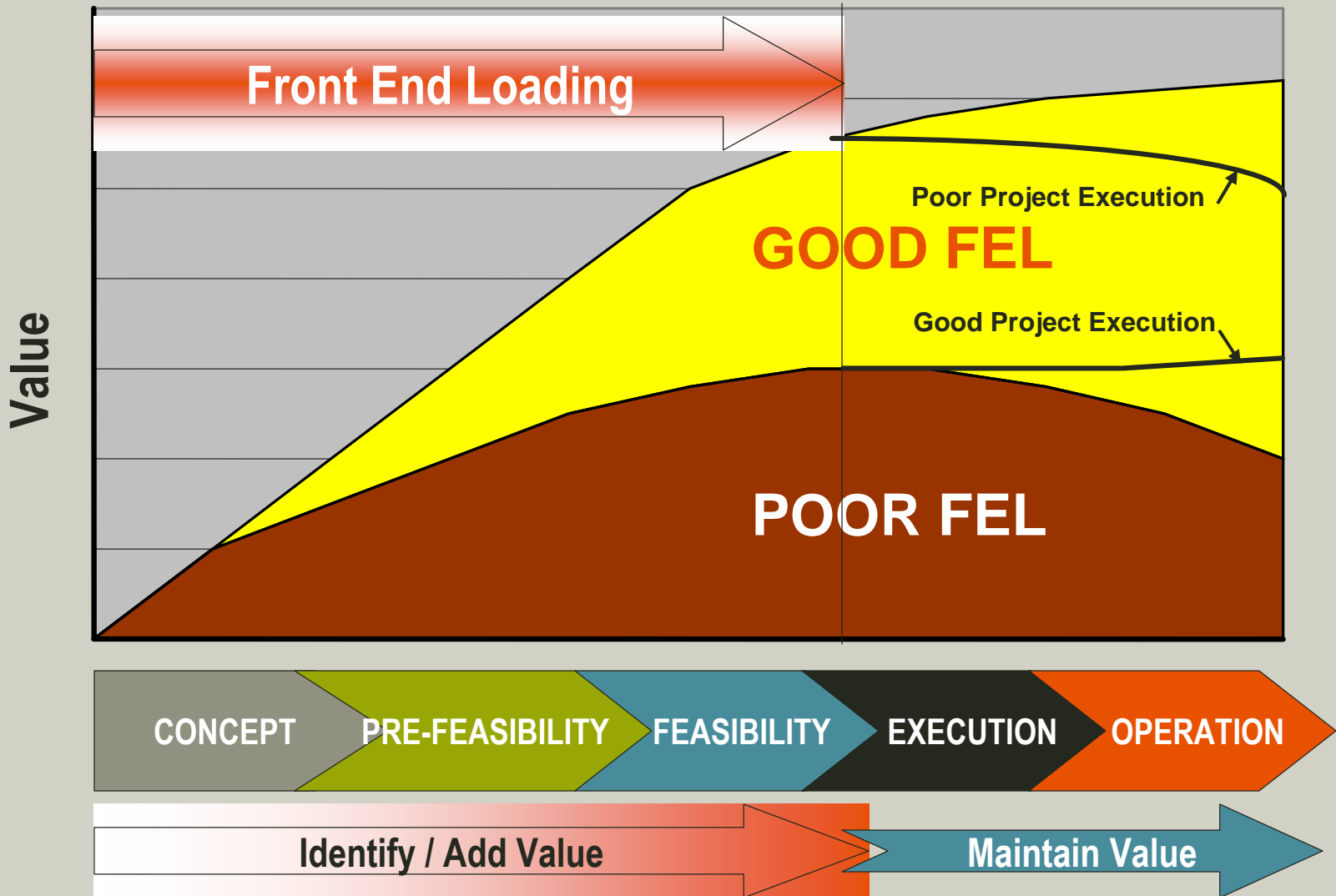


**15 projects, US\$3.8 billion of capital expenditure
Delivered on time and on budget**

Project appraisal process



The Value of Front End Loading



Aluminium Industry Scenarios

China Scenario 1 – lower metal demand

Metal demand slows

LME prices fall

“Rest of world” smelters under pressure



What can
smelters
afford to pay
for alumina?

China Scenario 2 – lower metal supply

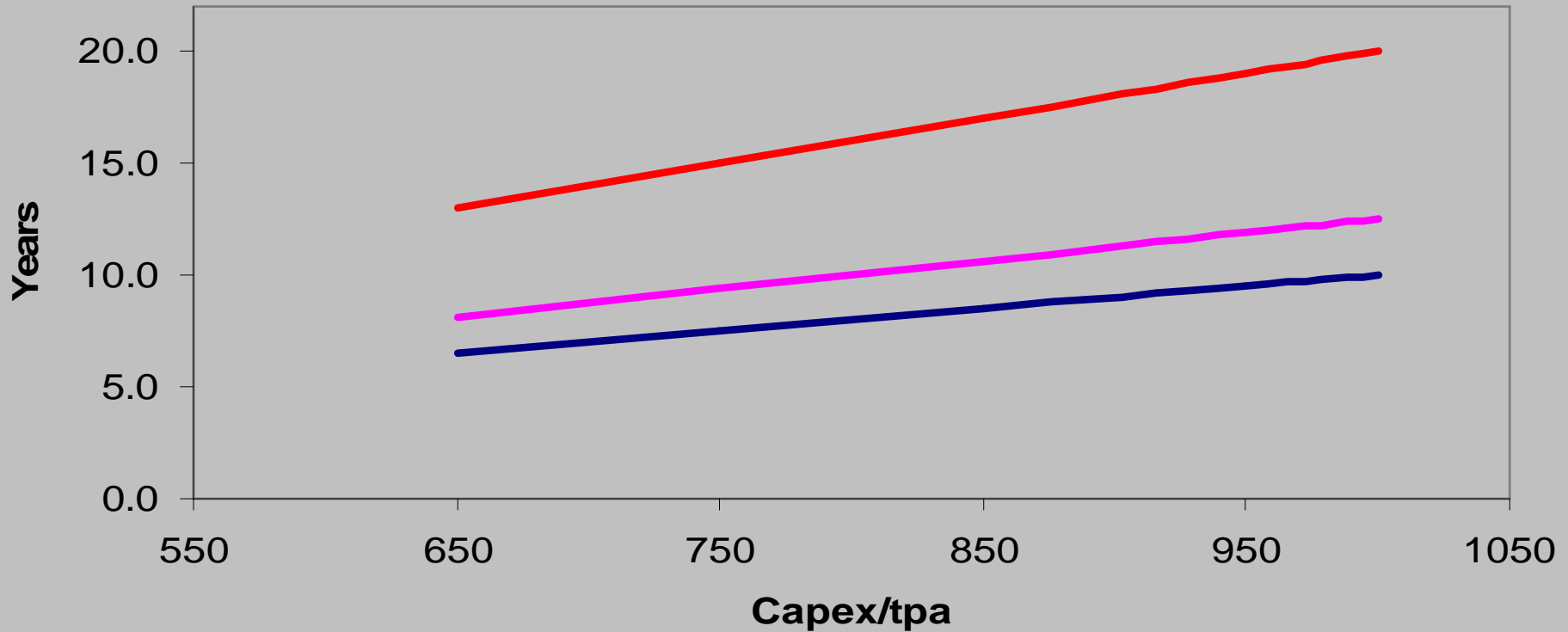
Alumina demand slows

China smelting drops: policy, environment, power



Cost of
Alumina
production

Alumina Refinery - Payback



— Payback @ cashcost \$100/t (Years)
— Payback @ cashcost \$120/t (Years)
— Payback @ cashcost \$150/t (Years)

Chinese Smelter + Diaspore Refinery vs. Mozal-Worsley Economics

