

BHP Billiton Iron Ore – Western Australia

Presentation to Analysts June 2005



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BHP Billiton Iron Ore Overview

- Record 53.6Mt of iron ore produced in the first half of FY2005
- On target to ship over 100Mt this year
- Record EBIT of US\$408 million in first half of FY2005 (two years ago full-year EBIT was US\$464 million)
- Renewed efforts towards Zero Harm following three fatalities last year
- Cost-efficient incremental expansions completed and underway, in line with market demand
- Operating Excellence is continuing to deliver with almost 60 business improvement coaches driving incremental efficiency and effectiveness improvements
- Preparing for the next phase of growth and beyond

Business Vision and Drivers

Vision

Safest, most profitable, productive
and efficient global iron ore producer

Drivers

Sustainable Growth

Cost and Efficiency

People Management

Product Quality

Planning

Market

Health, Safety, Environment and Community

Operations

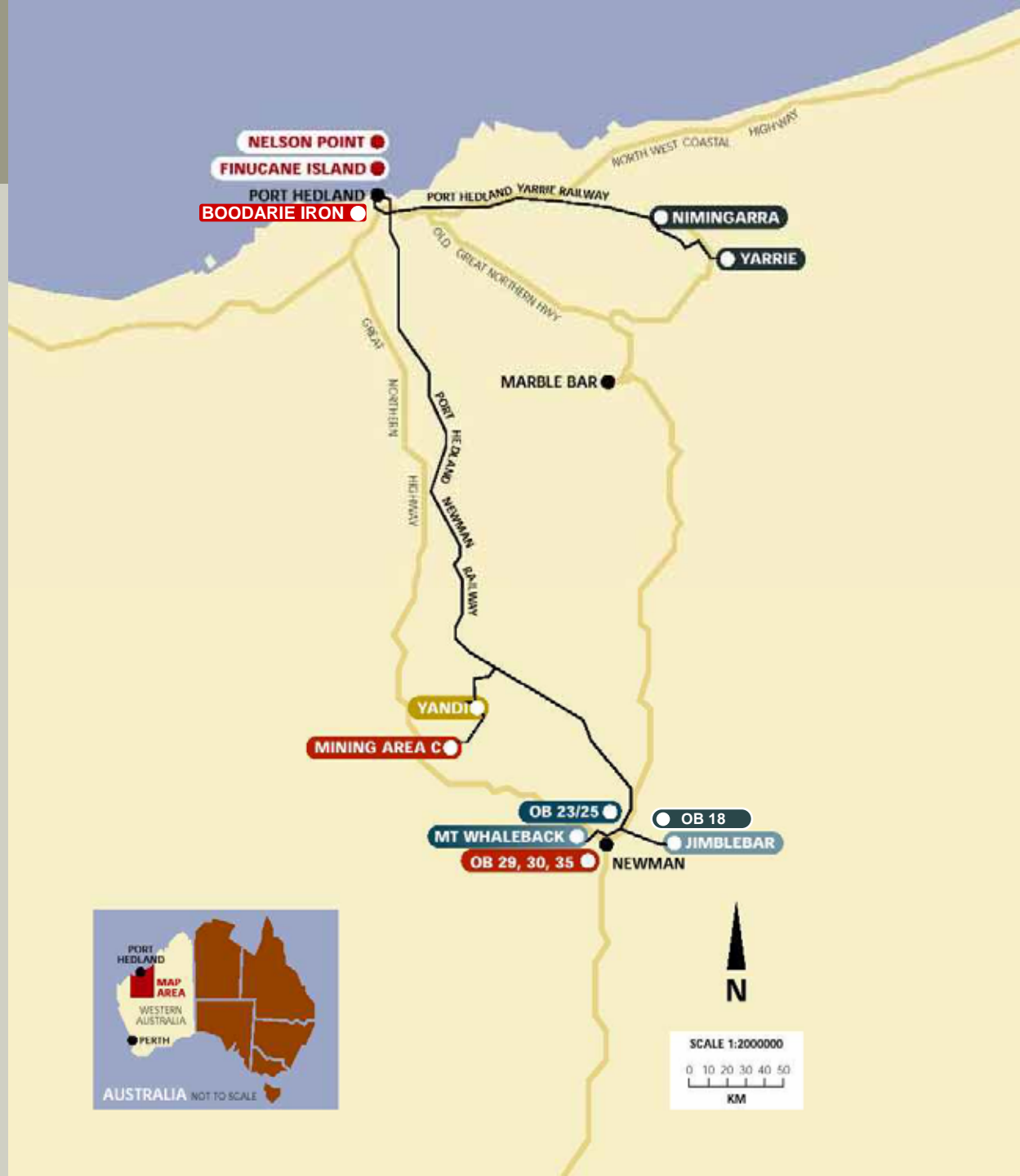
Extensive iron ore resources supporting a range of mines

Communities:

- Newman (4,000)
- Hedland (15,000)
- Pilbara (40,000); and
- 12% Indigenous


Railway track	1000km
Ore carriages	3395
Locomotives	68
Car dumpers	4
Reclaimers	8
Stackers	17
Crushing plants	3

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Continuing the Journey Towards Zero Harm

- Safety Initiatives
 - “Take 5” / Job Hazard Analysis
 - Fit for Life
 - Leaders Walk the Talk
 - Job Safety Observations
 - Near Miss Reporting

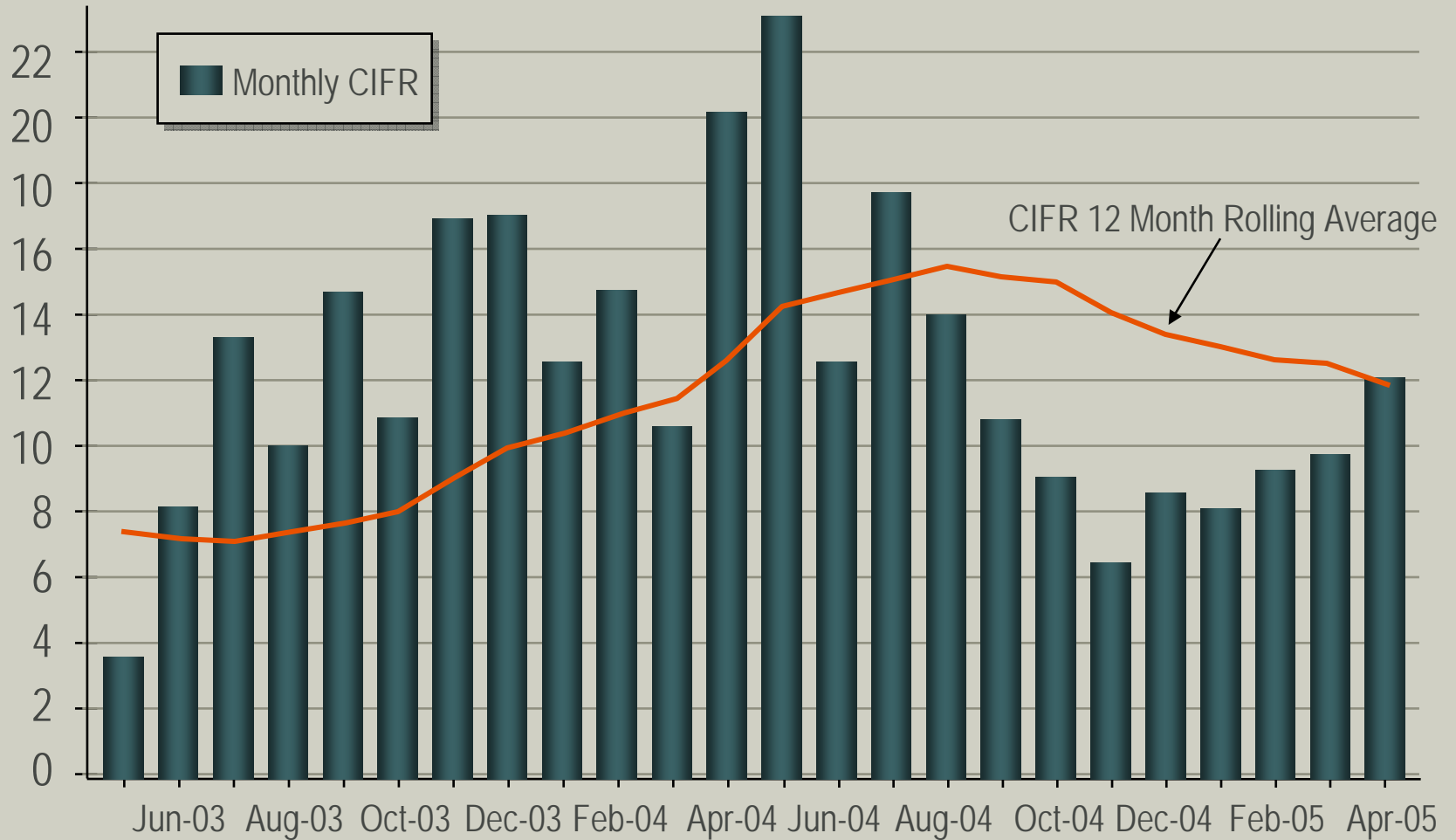


1. Think through the task
2. Spot the hazard
3. Asses the risk
4. Make the change
5. Do the task Safely

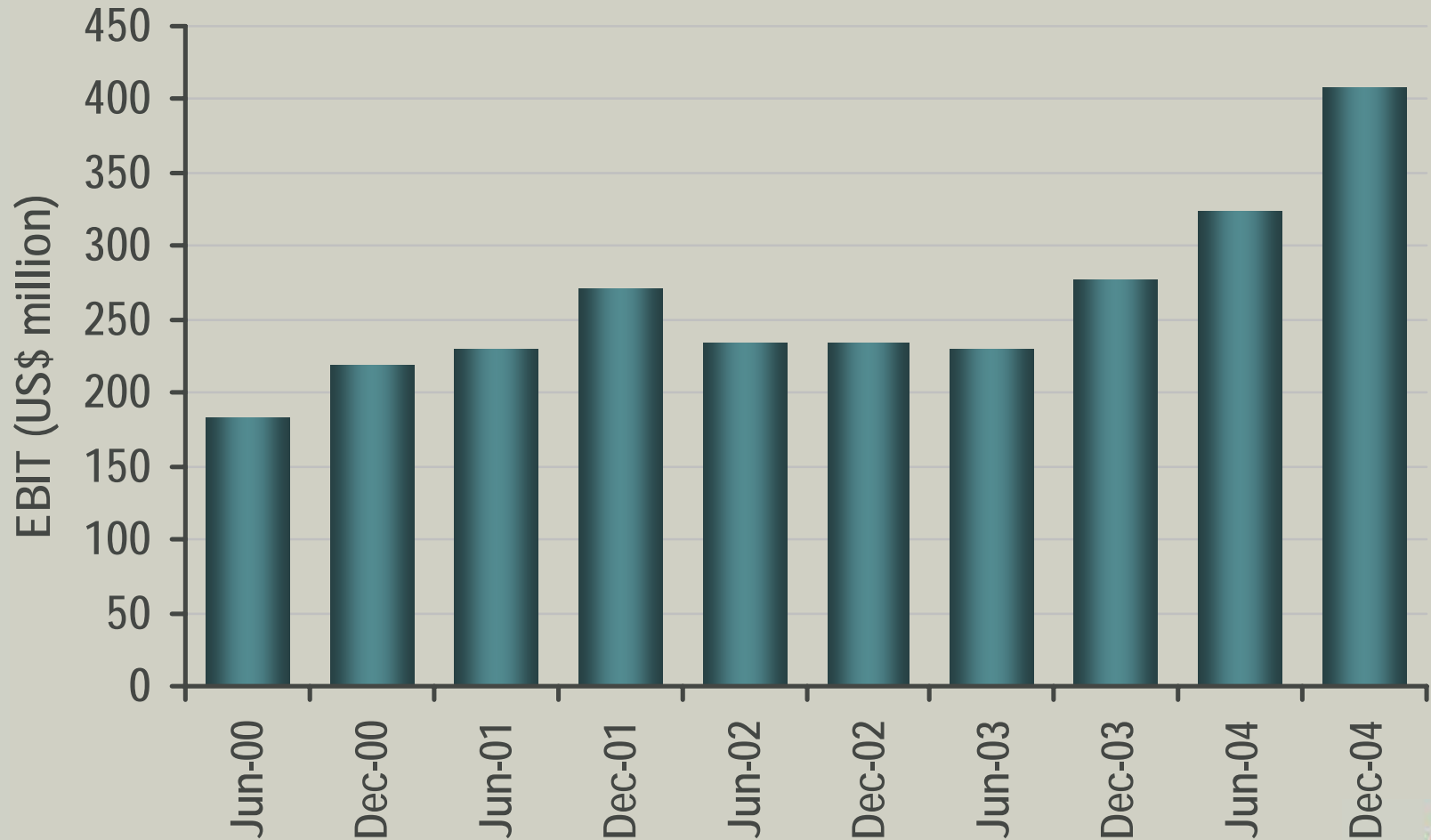
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Continuing the Journey Towards Zero Harm



Strong EBIT Performance (BHP Billiton Share)

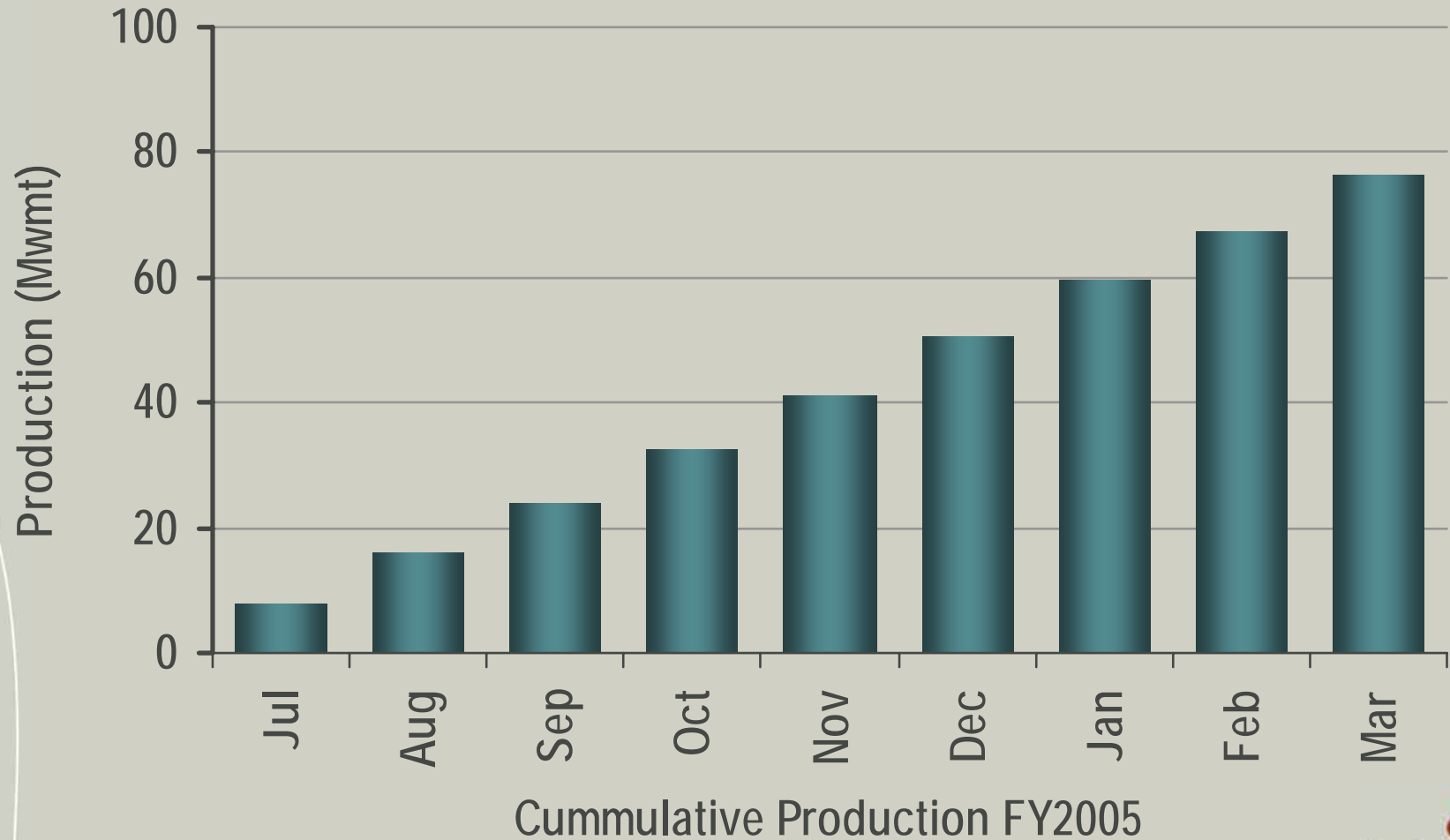


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Half Year Ended

Strong Production Performance (100% Terms)

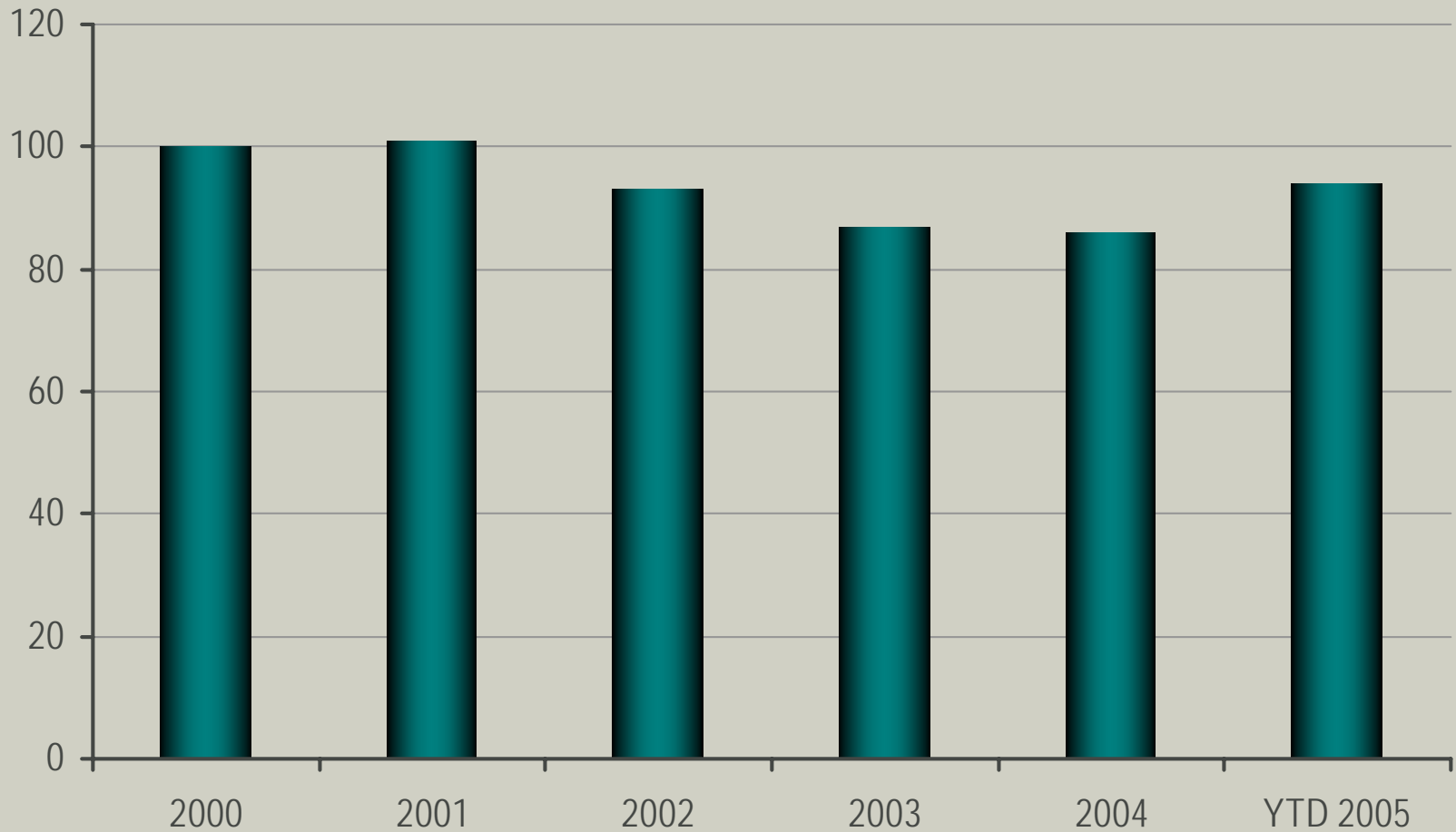
Q4 FY2005 Annualised Production Rate ~110Mtpa



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Cummulative Production FY2005

Unit Cost Performance – Relative A\$/t Movement

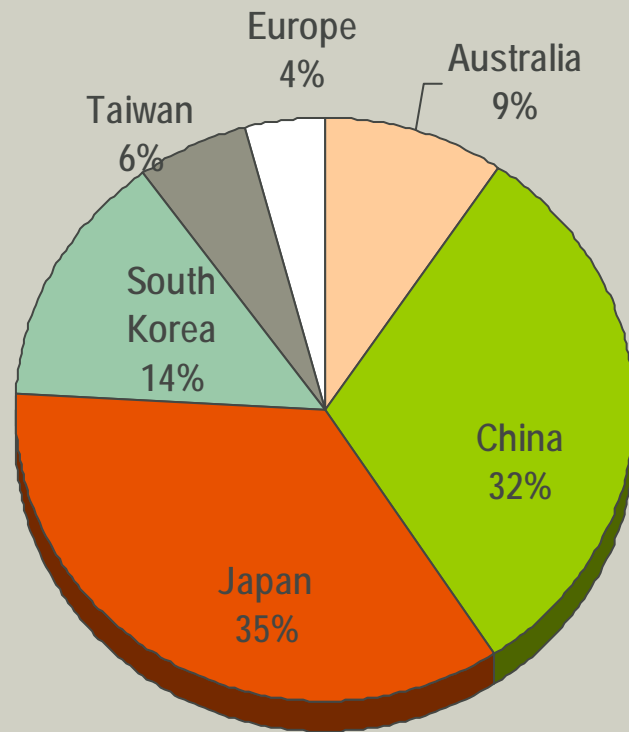


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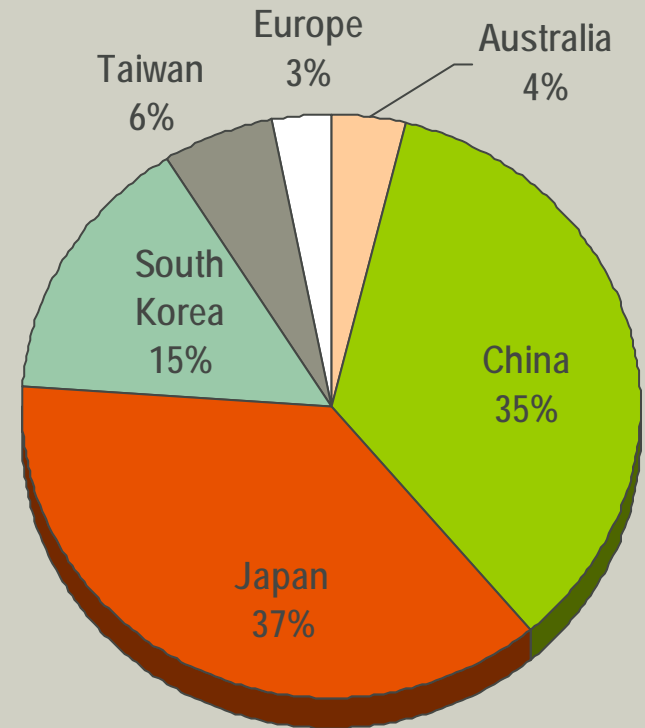
Index 2000 = 100

Growing Sales in Key Asian Markets (100% terms)

FY2004 WA Iron Ore Sales



FY2005* WA Iron Ore Sales



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* YTD FY2005



New JV's Strengthening Long Term Relationships

Wheelarra Joint Venture (Sub Lease of Jimblebar) (12Mt/a)

- 51% BHP Billiton Minerals Pty Ltd
- 10% Maanshan Iron & Steel Co
- 10% Tangshan Iron & Steel (Group) Co
- 10% Wuhan Iron & Steel Corporation
- 10% Jiangsu Shagang
- 4.8% Itochu Minerals & Energy of Australia Pty. Ltd.
- 4.2% Mitsui Iron Ore Corporation Pty Ltd



POSMAC JV (Sublease of Mt. Goldsworthy JV's 'C Deposit') (~15Mt/a)

- 65% BHP Billiton Minerals Pty. Ltd.
- 20% POSCO
- 7% Mitsui Iron Ore Corporation Pty. Ltd.
- 8% Itochu Mineral and Energy Australia Pty. Ltd.

Mt. Newman JV (~38Mt/a)

Mt. Goldsworthy Mining Associates JV (~7.5Mt/a)

Yandi JV (~42Mt/a)

BHPBIO is the operator and marketer for each of the above Joint Ventures

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Growth - Maintaining Share of Expanding Markets

- Area C & PACE completed ahead of schedule and within budget
- RGP 1 (110Mtpa) completed end 2004 ahead of schedule and within budget
- RGP 2 (118Mtpa) expansion on schedule and budget for completion by the 2nd half of 2006

- Blueprint for growth >152 Mtpa developed – and team in place
- Extensive Pilbara resource base - major drilling program and studies underway
- Execution will be phased to meet market outlook and reduce exposure to overheated construction market in Western Australia
- Expect to announce the first phase of the expansion in Q4 CY05 following Board and Government approvals

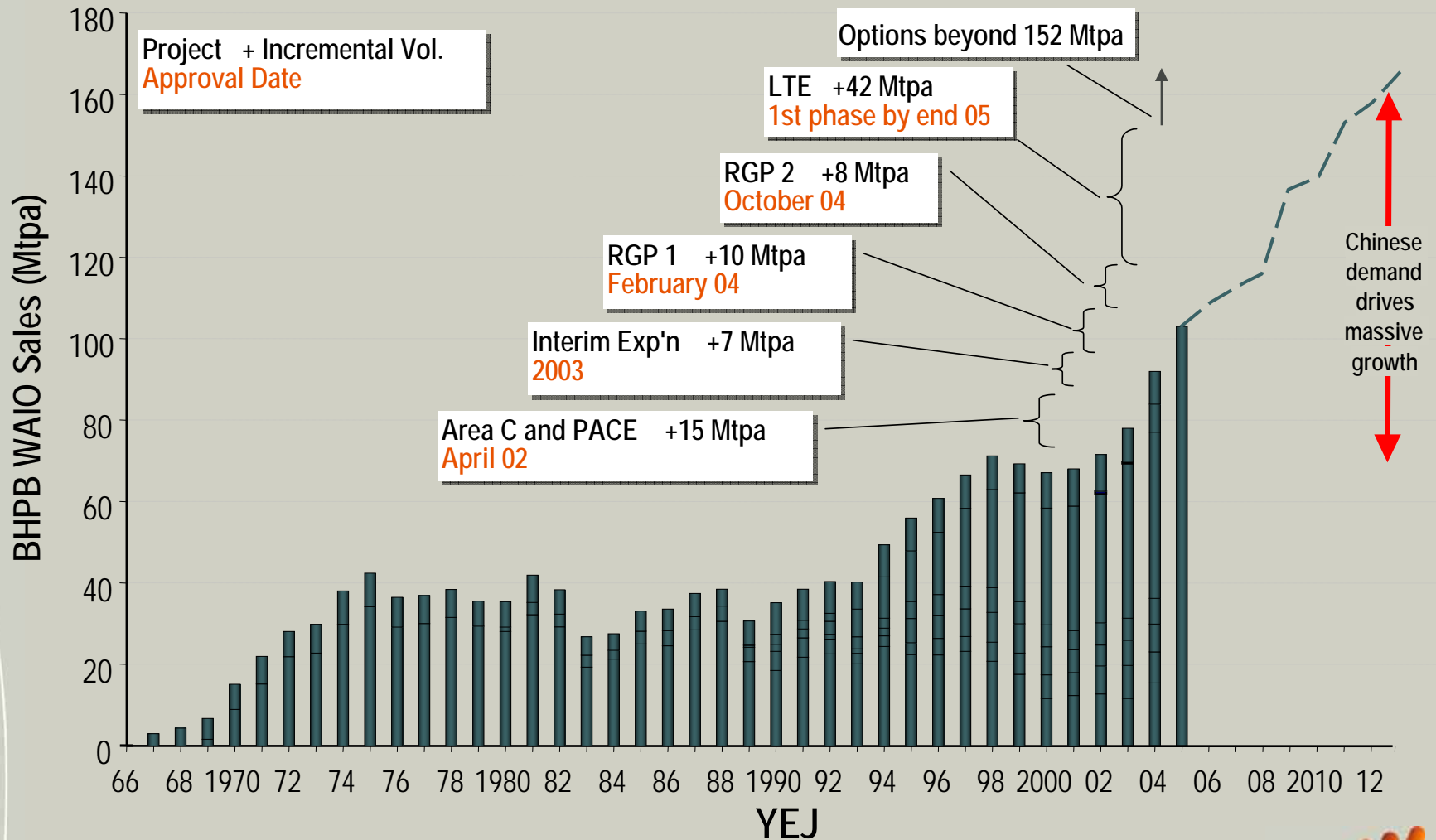
Growth – Expansion Options

- Feasibility study into several expansion options completed in early 2005
- Growth will primarily be achieved through the expansion of well-established Newman, Yandi and MAC™ brands and further growth of a new product (Brockman Sinter Fines)
- Expansion options include:
 - A business redesign to improve efficiency and operating performance.
 - Development of Mining ‘hubs’ at Newman, Area C and Yandi
 - Development of a further Mining ‘hub’ for Brockman Sinter Fines product

Growth – Expansion Options (cont'd)

- An expanded rail system and a reconfiguration of the port operations will support the expansion options
- Growth capital US\$50 – 60/tpa, plus system efficiency investment of US\$10 – 15/tpa. Compares favourably with previous projects given cost pressures and FX rate
- Expansion will also deliver significant environmental benefits, including ~30% reduction in dust emissions in Port Hedland.

Growth Opportunity - FY2012



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Addressing Issues Facing the Business

- **Safety culture and performance**

- Behavior based safety
- Leadership
- Contractor management
- Training

- **Attraction & retention of good people**

- Housing renewal and upgrade
- Community programs
- Strategic approach to education and training (including Indigenous employment)

Addressing Issues Facing the Business (cont'd)

- **Enhancing quality of life in Pilbara communities**

- Town amenity (dust management, Enhancement Scheme, anti-crime programs)
- Community facilities & services (health, education, recreation, arts)
- Government services (working with Government on improved service provision)
- Community information (consultative forums, communication programs)

- **Boodarie Iron**

- Care & Maintenance announced November 2004
- Majority of employees have found alternative employment arrangements (including ~80 redeployed to other BHP Billiton operations)
- Decision on future of the plant expected in coming months

Conclusion

- Maintaining our focus on the achievement of Zero Harm to people and the environment
- On track for record production and EBIT in FY2005
- Expansion projects on schedule and budget
- Preparing for next stage of expansion – focus on managing cost and supply pressures
- Consulting with local communities and Government to ensure win:win outcomes from growth projects
- Laying foundations to sustain position over the longer term



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Back up slides

RGP 1

Area C – Plant Expansion



RGP 1

Area C Plant Expansion



BHP Billiton Iron Ore Products – YEJ 2005

Fines for Sintering						
	Fe	SiO ₂	Al ₂ O ₃	P	S	LOI
Mt. Newman	63.6	3.6	2.10	0.070	0.01	2.5
Yandi	58.5	5.1	1.34	0.037	0.01	9.7
Goldsworthy High Grade	64.2	4.7	1.60	0.046	0.006	1.4
Goldsworthy Medium Grade	60.0	8.00	2.60	0.055	0.006	2.8
MAC™	61.8	3.0	1.90	0.066	0.01	6.2
Lump For Direct BF Feed						
	Fe	SiO ₂	Al ₂ O ₃	P	S	LOI
Mt. Newman	65.2	3.1	1.30	0.057	0.012	1.9
Yandi	59.1	5.0	0.76	0.036	0.015	9.4
Goldsworthy High Grade	64.3	4.9	1.50	0.046	0.005	1.3
Goldsworthy Medium Grade	61.0 0	7.50	1.80	0.055	0.005	2.2
MAC™	63.1	2.0	1.20	0.053	0.02	6.2

Goldsworthy
 Cattle Gorge
 Y4 Crustal
 FI Bene Plant closure

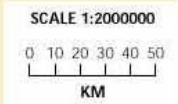
Port & Rail Developments
 Eastern Yard
 4 ports
 Relocate C&S
 Passing Sidings
 Rail loops and bridges
 Rolling stock

Mining Hubs
 Yandi
 Area C
 Newman

Area C Expansion
 E deposit
 A west
 F deposit
 D deposit

Orebody Development
 OB 25
 OB 18 continuation

Expansions
 Jumblebar



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