BHP Billiton
Preliminary Results Presentation
22 August 2007

CHIP GOODYEAR: Ladies and gentlemen, my name is Chip Goodyear, Chief Executive Officer of BHP Billiton. Welcome to our presentation today of our financial results for the 2007 fiscal year. I'm here in Sydney and with me in Sydney is Marius Kloppers. Marius is the Chief Executive of our Non-Ferrous Materials business and, as you know, he will be taking over from me as Chief Executive Officer on 1 October. Marius will have some prepared comments today, as will Alex Vanselow.

Alex, as you know, is our Chief Financial Officer. He is in London and will be speaking to us from there. We also have Mike Yeager with us today. He is the Chief Executive Petroleum. He is in Johannesburg, where he is going to be doing a roadshow. Mike, Marius and Alex will all join with me in answering your questions later today. So let's move on to our highlight slide, number 4.

Slide 4

As usual, I'll begin with safety. In 2007, we saw a 17 per cent decrease in our injury frequency rate. We saw an improvement in all but one of our business units, and we've had some outstanding performances in Petroleum, Aluminium, Stainless Steel Materials and Diamonds and Specialty Products but, unfortunately, we had eight fatalities in our business in 2007. Obviously, that's not only measured in terms of the devastating human impact of that, but it also is an indication that poor performance in safety also represents poor performance in our operations. We often found where there were safety issues in a business, those businesses also had the most difficulty in meeting their operating objectives. In 2008, you will see this company focus more intentionally on our risk protocols, as well as continuing to push down that injury frequency and injury frequency rate.

Now moving on to our financial results. Great financial outcomes have their foundation in strong operating performance and 2007 was no different. It comes on the top of a strategy which was developed a number of years ago, where we focus on the essential elements of running our business. Those are making sure we operate reliably and consistently, we move to share knowledge across our business and we also find opportunities to continue to re-invest in what we know and understand. That has resulted in 2007 producing record results in eight of our commodities and 17 of our assets across our business. When you combine those strong operating results with the kind of markets we're in today, obviously we're going to generate strong financial performance.

Our EBITDA was up 27 per cent to $23 billion. Our underlying EBIT was up to $20.1 billion, up 31 per cent. Attributable profit came in at $13.7 billion - that's up 35 per cent and is seven times what our number was just five years ago. Earnings per share came in at a 39 per cent increase or US234 cents per share. That number, with regard to EPS, grew faster than attributable profit due to our share buy-back program.

Despite cost pressures in our industry, we continue to see excellent flow through of revenue to the bottom line. Alex is going to talk about that in more detail. I want to focus on two numbers that I've talked to you about for some time. These statistics are EBIT margin and our return on capital employed, set records again in 2007 and that's the sixth consecutive year both of those statistics have set records. This is an outstanding achievement in our industry and in any industry and is truly a spectacular outcome.

We continue to approve new projects in line with our market demand. Our project pipeline now stands at 33 projects, almost $21 billion of growth. We've seen strong growth in our volumes over the last six years and in 2007 we saw a number of important steps. We saw the start-up of Spence, we saw the continued ramp-up of Escondida Sulphide. But 2008 looks to be quite a spectacular year in terms of volume growth. We'll see that across Petroleum, Stainless Steel Materials, Iron Ore and in Base Metals. We continue to look for new options to grow and last year we acquired an interest in the Genghis Khan oil field in the Gulf of Mexico. We also acquired the alumina project in Guinea. The outlook remains strong in our businesses and I'll talk about that in a few minutes.

We continue to see developing economies urbanise and industrialise and as we have in the past, we continue to invest strongly in growth in those businesses that we know and understand. Having said that, we are producing more cash than we can effectively put to use in our business. In line with that strategy, we do return surplus cash to shareholders, as it's appropriate to do, and this year we've announced about $13 billion of share buy-backs. We're about halfway through that program and we expect to complete that by August of 2008. We've always said that our base dividend is determined based on our expectation for earnings and cash flow growth over time. Therefore I'm pleased to announce a rebasing of that dividend. We've moved the final dividend for this year to US27 cents per share. This final payment for the year is up 46 per cent from our final payment in 2006 and 35 per cent ahead of our interim dividend that we declared earlier this year. It's from this new base that we'll continue our progressive dividend policy. We believe that this rebasing of our dividend reflects our confidence in the outlook for our business in the years ahead. The operating and financial results, the dividend growth and the capital management program all illustrate how BHP Billiton continues to lead our industry.

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The next slide reviews our profits over the last six years. On first scan, you might look at this and say this is about price and there's no doubt price has been important, but it's by no means the only story. Volume growth has been a major contributor to earnings growth. Over the last six years we've seen a 55 per cent increase in our volume growth. Portfolio management has allowed us to improve the quality of our assets and focus on what we do well. That's led us to increasing the margins and enhancing our focus on those assets which we consider best in class.

Then cost and efficiency - absolutely critical in our business - through business excellence, our supplier relationships, economies of scale, knowledge sharing and our customer relationships, we've effectively managed costs in what is a very challenging environment.

In a minute, Marius is going to talk about some of the things that he sees going forward and how he looks to build on this as he takes over as Chief Executive. I'm going to talk a bit about our outlook.

Before I do, I wanted to show you what I considered to be a fun slide. The delivery of our strategy has been a critical driver in the performance of this business and many of you have heard me talk about that for a long time and what is our strategy. We focus on large, low cost, long reserve life, expandable assets diversified by product, geography and market, and we believe this gives us sustainable growth in earnings and cash flow and generates a relatively stable cash flow that allows us to re-invest in our business. Pretty simple.

Slide 6

So let's take a look at how we've done. On the left-hand margin, or on the Y axis, we have the EBIT margin and across the X axis we have time and we've taken the last six years and divided it by reporting periods. So let's start with iron ore. If you look at just the Iron Ore business, this is what our margin would have looked like in the Iron Ore business if that was the only business we're in. Certainly good times and less good times. If we're only in the Met Coal business, our margin would have looked like this. And if we were only in Manganese, it would have liked like this. Energy Coal, Petroleum, Stainless Steel Materials, Base Metals, Aluminium, Diamonds and Specialty Products.

Now, we call that our 'Jackson Pollock' diagram. Like a Jackson Pollock, some time you need a little bit of help to understand the message. Our message is the next one. The black line is BHP Billiton's margin over the last 12 periods. This, ladies and gentlemen, is the strength of our strategy. What this demonstrates is that although the underlying commodities are indeed volatile, that the right portfolio, well managed, executing value-added growth opportunities, can indeed create a new investment proposition in a natural resource business.

Over the last seven years, that's exactly what we've done. I'll talk in a minute about pictures but a picture can speak a thousand words and I can think of no other diagram that more effectively describes the objectives and outcomes of our strategy than this one that you see here.

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Now we move on to the outlook. Over the years, I've talked to you about economic statistics, I've talked to you about intensity of use curves, I've talked to you about our global footprint and how we use our customer centric marketing organisation to try and get a sense of what's happening in our marketplace, we've talked about secular changes, about how billions of people have an aspiration for a better quality of life and resource demand is critical to that. I'm not going to repeat the words today but, as I say, a picture speaks a thousand words.

When Deng Xioping said, "It doesn't matter if the cat is black or white, if it catches mice, it's a good cat," when he said that, the world changed. We believe that the industrialisation and urbanisation that has driven China's growth will continue for several decades as billions of people strive for a better quality of life. This growth is resource intensive and it represents a step change in resource demand. Once people get visibility to a better way of life and governments see that as a good thing, it's very difficult to put the genie back in the bottle.

While we talk about China, India has a number of fundamental drivers that are quite similar. We also say we see India as being 10 or 15 years behind China, but as you can see from the chart, they've begun that journey. This growth in demand is happening in an environment where our industry and those that service our industry have underinvested for the last 30 years, and this will

not change overnight and it's creating shortages in just about all the commodities certainly that we produce. When combined with increased demand and with appropriate regulatory scrutiny, you see that the supply demand issues and the shortages are certainly illustrated by this lengthening time period in which it takes new projects to be developed.

Those items, we believe, will lead not only to a multi period of time when we expect to see the average price of raw materials to be higher than we've seen historically, but will come with increased volatility. As inventories fall, volatilities in our markets can increase dramatically. While the US market remains important, it's certainly not as important to commodity markets as we saw 10 or 20 years ago. The growth that we've seen in India and China dwarfs the incremental movements in commodity demand in the US. Therefore, we do find it curious that on days when subprime markets and private equity debt seems to go into a meltdown, our industry underperforms financial services in the United States and in Europe. Many investors have failed to appreciate that the China and Indian economies are very much domestic economies.

We have had an opportunity to survey our customer base. We've talked to a huge number of people across the world in all markets to try and assess how recent credit issues in the United States, and perhaps in Europe, have impacted what they see as their business opportunity going forward, and we can certainly talk about that in detail in some of your questions, but the answers are as you expect. For people in the United States, they've seen a moderation of growth that's going back as the housing market has come off for the last year and a half or two years. But when you talk to people in China and India, they're focused on strong demand growth, the shortage of raw materials and they are focused on their domestic market. Their fundamentals remain very much intact and, as I say, this is based on a survey over the last five or six days.

So our business is a long-term business. It's driven by long-term fundamentals and those that have recognized, that have been well rewarded over the last six or seven years as they've looked at the performance of this company. So with that, what I'd like to do is now hand it over to Alex, who will talk us through some of the numbers. Thank you.

Slide 8

ALEX VANSELOW: Thanks, Chip, and welcome to everyone. Once again, we are delivering another outstanding set of results. We have set records across all key measures. Importantly, these records are not limited to the financials. We achieved record production from continuing operations for natural gas, aluminium, alumina, copper, nickel and iron ore, manganese ore and metallurgical coal.

Slide 9

Now moving to summarise our financial results. We generated $47.5 billion in revenue, which is up 21 per cent. Our underlying EBIT was $20.1 billion, up 31 per cent, resulting in attributable profit of US$13.7 billion. We had a record net operating cash flow of $15.6 billion, which was an increase of 49 per cent. Our balance sheet is very strong, with underlying gearing at 25 per cent. This, despite record capital investments, increased share buy-backs and a progressive dividend policy. This provides us with enormous flexibility to continue to invest in growth as

well as return funds to our shareholders.

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In the fiscal year 2007, we also saw continued growth and records in both EBIT margins and returns.

As Chip said, our EBIT margin was 48 per cent. Return on capital employed was 38 per cent. Those remarkable metrics are a reflection of the consistent execution of our strategy over the last six years.

The key performance drivers are as follows:

- great assets, which are high in quality, large and low on the cost curve;
- a superior resource position that allows us to grow production in a high-margin, low-risk way;
- an exceptional commodity mix in terms of diversification and scale;
- a high margin oil and gas business that will deliver significant high value, near and long-term growth;
- a marketing structure and a global freight desk which lowers risk and adds value to our customers;
- a focus on business excellence and operational efficiency that ensures we operate our assets consistently and predictably;
- investing in expanding port and rail capacity, providing a significant infrastructure advantage, and
- continually reviewing our portfolio and divesting operations that are not aligned with our strategic drivers.

In summary, a continued focus on returns and margins, combined with strong demand for our products, underpins these outstanding results.

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Now we'll review each of them in more detail, starting with petroleum, which had record EBIT. Despite no major project start-ups, we achieved flat production in 2007. We offset the impact of natural field decline with improved operating performance. Near-term production growth is very strong, with Genghis Khan, Atlantis, Neptune, Stybarrow and Zamzama Phase 2 all scheduled to commission in the coming six months.

Proved reserve replacement of production, excluding divestments, was 103 per cent, with proved and probable reserves now standing above 2 billion barrels of oil equivalent.

The review of the Atlantis and Neptune projects has finalised, with no change to delivery schedules and an increase in budgets. Full details are included in our profit announcement.

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Aluminium delivered record EBIT of $1.9 billion, up 56 per cent. EBIT margins improved significantly to 40 per cent from 30 per cent last year, despite higher costs. This reflects an intensive focus on cost containment through various business excellence initiatives.

Record production of both alumina and aluminium were achieved. We completed the ramp-up of our Worsley refinery expansion and acquired one-third interest in the Guinea Alumina Project, one of the most advanced projects of its kind.

Slide 13

Base Metals' underlying EBIT rose 28 per cent to a record $6.9 billion. Spence, together with Sulphide Leach, provided 135,000 additional tonnes of production. We expect the opportunistic restart of the Pinto Valley operation during the next six months. This will provide an additional 70,000 tonnes of copper per annum.

Slide 14

Diamonds and Specialty Products' EBIT was US$261 million. Richards Bay Minerals performed well and the market was firm.

The Ekati diamond mine continued to be impacted by the processing of lower margin material. This will gradually revert as the Koala Underground development is commissioned in the fiscal year 2008. This project continues to track to schedule and budget.

Corridor Sands is currently scheduled to move into feasibility during the calendar year 2008 and we have begun a concept study for a potash mine in Saskatchewan.

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Stainless Steel Materials' EBIT was up 310 per cent to $3.7 billion, which was an all-time record. Higher EBIT was driven by record nickel prices during the period and higher volumes from the Yabulu refinery.

The growth outlook remains solid. The Yabulu expansion is complete and will commission ahead of first product from Ravensthorpe. Ravensthorpe is progressing well and cold commissioning has commenced. It remains on track to deliver first production to Yabulu this calendar year.

Looking to the future, we have increased our exploration activity, largely in Western Australia, Columbia and in Guatemala.

Slide 16

Iron Ore delivered another record result. Higher prices and record sales volumes drove an 8 per cent increase in underlying EBIT to $2.7 billion. WA Iron Ore recorded its highest-ever production. Our near-term growth in Iron Ore is significant. Over the next few months, we complete construction of RG P3, which adds 20 million tonnes per annum. We will also be commissioning the Samarco 3rd Pellet Plant, adding 7.6 million tonnes per annum of pellet on a 100 per cent basis.

Longer term, we plan to have capacity installed for 300 million tonnes per annum at WA Iron Ore.

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Higher sales, record ore production and excellent cost containment, drove Manganese underlying EBIT up 92 per cent to $253 million. An expansion of our Groote Eylandt manganese ore operation is currently in feasibility.

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The metallurgical coal underlying EBIT was $1.3 billion. We achieved record annual production. The BMA Phase 2 expansion is complete and first production was achieved at Poitrel. We also had record throughput at our Hay Point Coal terminal. The latest expansion of Hay Point, which will increase capacity to 44 million tonnes per annum, is currently being commissioned.

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Underlying EBIT for Energy Coal increased by 48 per cent to $484 million. Export prices were strong and we increased production over last year. Hunter Valley Energy Coal achieved record production and sales and performance at the Columbia and New Mexico operations was solid.

We continue to reshape our South African business. During the year we divested the Koornfontein mine and moved to sell the Optimum operation. In June next year, we will cease operations at the Douglas underground mine.

We have good growth opportunities in the US, Australia, Columbia and South Africa, pretty much in line with our multi sourcing strategy.

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Turning now to price variance capture. Our EBIT for the year was $20.1 billion. This is 31.4 per cent higher than the $15.3 billion delivered last year. The net impact of higher prices added $6.1 billion.

In the first half we had a price variance of $3.4 billion and captured 72 per cent in EBIT. In the June 2007 half, our price variance was lower, at $2.7 billion, but we have increased our capture to 85 per cent.

This is an outstanding achievement in the current environment and is a reflection of having a superior mix of commodities in our portfolio and delivering strong production.

Overall, we captured an estimated 78 per cent of this increased revenue to EBIT over the year. Asset performance, supplier relationships, value growth and business excellence all contributed to this outstanding result.

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In total, cash cost pressures impacted EBIT by $714 million. This is on a pre-tax basis. This is 3.6 per cent higher than last year, which continues our trend of a decreasing rate of cost increase.

While overall costs have risen, our cost management continues to show real benefits. In fact, for the June half we achieved the lowest rate of half-on-half increase since cost pressures begun more than three years ago. We have now achieved a declining rate for three consecutive half years. However, the pressure on costs does remain, as others in the industry have noted. Managing costs is the key focus for every employee at BHP Billiton.

In general, dissecting these cost increases is a very positive story. 41 per cent of the year-on-year increase relates to investing in the following key areas:

- first maintenance, being critical to continue operating at full capacity, and
- second our people. Pay levels are increasing and we are being proactive to ensure that we retain and recruit the best people in the industry.

29 per cent of the cost increase relates to costs that are largely recouped in our revenue line, such as fuel and energy, where we are structurally more than 90 per cent long, and raw materials, which are usually correlated to our products.

Approximately 61 per cent of the cost increase relates to largely non-recurring type activities, such as the rehabilitation work at Cannington, which is now completed, and the strike activity at Escondida.

$129 million relates to other items, with $60 million or 7 per cent of our total cost increase relating to demurrage incurred by our Australian bulk commodity businesses.

We estimate that 15 per cent of this year's total cost increases are structural, with the remaining 85 per cent being caused by either one-offs or the heated market. This is an improvement on previous periods.

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Now we're going to turn to our returns to shareholders. Our priorities for cash flow are unchanged. First is to re-invest in value accretive opportunities in the business. Assuming that our capital structure is supportive, we then return funds to shareholders. Today we announced a rebasing of our dividend. Our final dividend is up a very substantial 46 per cent over last year's final dividend. This is our 11th consecutive dividend increase and our compound annual dividend growth rate over the last six years is 24 per cent.

We continued the $13 billion capital management initiative that we announced during the year and have so far executed $6.3 billion. In the past 12 months we repurchased 305.5 million shares and more than 85 per cent of these shares have already been cancelled. Our intention is to cancel all these shares.

Since November 2004, we have executed $10 billion of buy-backs, repurchasing more than 600 million shares, representing approximately 10 per cent of our shares on issue. We achieved excellent and timely execution on all initiatives. We aim to complete the remaining $6.7 billion by August 2008. Based on the current share price, when the current program is complete, we will have repurchased approximately 14 per cent of our shares.

Overall, another outstanding year for BHP Billiton. With that, I'll hand you over to Marius.

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MARIUS KLOPPERS: Thank you very much, Alex. Before I go into my formal comments, I'd just like to note how great it is to be taking over from Chip at this time and how fortunate I am. For those of you that know Chip well, you know that this transition has been planned in his customary meticulous way, so that I'll be hitting the ground at absolutely full speed. I'm going to concentrate my comments today primarily about the forward outlook for the company and particularly as it pertains to growth.

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Chip has indicated and Alex has reinforced that the results that we have announced today are based on very solid operating performance, as well as growth rates of product to our customers. Over the past six years, we have approved $23 billion of organic growth projects. We've completed 33 projects. We've added the WMC acquisition and several other small acquisitions and we stand here today really benefitting from the volume growth out of that predominantly organic growth pipeline, and this is where preparation meets opportunity and we can benefit from the strong demand and high prices that we see today.

Slide 25

But it is instructive on a portfolio that is as diversified as ours to look at growth on a common basis. What we've done here is we've used the CSFB methodology and we've rebased the growth since 2001 by starting with 2001 as 100, and from there we have grown the volumes by 55 per cent. That is a 9 per cent year-on-year growth rate over that period. So the growth in our portfolio has been very, very significant. And given where we are on the demand conditions, prices and so on, it has been extremely value accretive for our shareholders.

Let's take a look going forward and Chip has commented that the next year is a very interesting one, with a number of growth projects being commissioned. On a year-on-year basis, we're going to continue that trend with a 9 per cent growth in volumes for FY07 to FY08.

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But I'd like to point out also what happens going forward, and if we look forward, our pipeline remains very robust. What we've got here is a slide that you've become accustomed to. We've got here 33 projects, $21 billion of Capex and, as is our habit, the size of each bubble relates to the size of the project scaled on the scale that you can see on the slide, and the colour relates to the commodity that we're investing in. So you've seen this before, but what I want to introduce to you today is a new way of looking at our longer term pipeline in order to show you some of the longer term growth that we've got in our portfolio.

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BHP Billiton has the preeminent set of growth options in its portfolio. What we've done here is we've taken the funnel of growth projects and we've divided that into three segments. On the right we've got projects that we've already approved and that are in execution. This is $14.3 billion of projects in 19 discrete projects.

In the middle we've got projects in feasibility, where they are being optimised ahead of approval. This is currently another 14 projects, representing another $6.6 billion of investment.

Then on the left-hand side we've shown what we call future options. Future options are a selection of non-commercially sensitive projects that we've selected and that we are looking at and that we control. Not all of these options will manifest in exactly the way that we have got them envisaged currently, but together they represent over $50 billion worth of investment, based on what we know today. I should note that most of these options were acquired at very, very low historical costs.

Now, based on these sets of options that we own, it is our expectation that we can maintain or exceed the growth rates that we've shown in the last six years. Just by comparison, over the last three years we've invested $5 billion per annum in pure organic growth. That excludes maintenance and so on and so forth. Based on the options that we've got in our portfolio, we believe, together with that market that we've spoken about, the opportunities exist to deploy $8 billion or more per annum in value-adding projects as a strong continuation of an unchanged strategy, to continue to invest in value-adding organic growth.

I also want to point out that the bias of these options is towards low risk, fast, brown-field expansions of existing operations, and these options cover the Pilbara iron ore assets, Metallurgical Coal, the Gulf of Mexico, Escondida, Olympic Dam, Cerro Matoso, Worsley and other major assets. Again, no other company has got this growth pipeline. No other company has got this preeminent resource position, and these options leave us excellently positioned to benefit from the structural change in demand that Chip has spoken about and that we have seen today.

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I also want to highlight and speak a little bit about energy and how that fits within our portfolio. Energy is again a critically important part of our portfolio and we're very fortunate to be endowed with a world-class portfolio of assets:

- Petroleum, where we've got major positions in Australia and the Gulf of Mexico and some exciting emerging opportunities in other places;
- Energy Coal, where we are a leading seaborne coal exporter; and
- Uranium, where we sit on nearly 40 per cent of the world's economically recoverable uranium resource.

Our prefeasibility study for the Olympic Dam expansion continues. This ore body is an absolutely world-class mineral resource and we're very pleased by the significant increase in the resource base which we will be reporting following further drilling and development. We are taking a long-term view of the development of this asset and it's important that as we open up what is probably a 100-year asset, we start with the right configuration. The industry has seen an increase in capital costs. This project is no different. What we are doing is we're looking at a way to develop this asset which is intrinsically more capital efficient. Given this additional work, this work is taking a little bit longer than originally envisaged. But to emphasise, we remain absolutely confident that Olympic Dam will be the preeminent supplier of uranium, underpinning much of the nuclear renaissance that is being experienced as a response to the greenhouse concerns that the world currently is seeking solutions for.

In summary, no other company in the world is positioned across the energy product spectrum in this way, and whichever way the world goes in terms of energy usage mix, it's clear that we are going to be able to serve our customers in ever increasing ways.

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If I may then distill what I've said in the last couple of charts in a couple of simple messages. We have a track record of project delivery. We own or control the best set of growth options in the industry. Most of these options are low risk brown field expansions using existing, already operating teams that are in place. These options span a diverse range of commodities, assets, geographies, from minerals to energy which limits the risk to any one given area. No-one in the industry can match these attributes.

To conclude, I'd like to talk about what I see as the priorities for the business as we plan the leadership transition.

There will be no change to our strategy, which is to operate upstream, long life, low cost, expandable, high margin, export oriented assets, diversified by commodity and geography. We will continue to operate and expand these assets in a value adding way, continuing to serve our customers better. In addition, we will opportunistically execute M&A where it makes sense as we've done before. This strategy has served us extremely well over the last six years and I believe it will be an appropriate foundation for us going forward. However, as Chip has said, we are experiencing a step change in commodities demand.

Our focus is therefore to maximise the opportunity or benefitting from the opportunity presented by the market environment. It's a very simple strategy. It entails focusing all of our organisational energy and effort on two very straightforward very simple value adding activities:

- firstly, to run all of our assets, 100 per cent of our assets, 100 per cent of the time, at 100 per cent of their potential and do so safely and in line with our environmental responsibilities. If we do that well, as we have done, that will continue to put out the cash flow that underpins all of our other plans and that allows us to continue to invest throughout the cycle.
- secondly, to accelerate these options that I've shown you and that we've got in our portfolio and in particular focus on the larger opportunities. We've spoken about some of them. Volume growth in our portfolio has been exceptional over the last six years. However, we are probably going to have a higher degree of organisational focus than we've even seen in the past and we're going to step up that rate of volume growth going forward.

So to conclude, the same strategy, more focus and hence more speed. Thank you, Chip.

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CHIP GOODYEAR: Thank you, Marius. Just a brief summary.

The last year has proven to be a truly outstanding year for BHP Billiton, setting a number of records across the operating and financial aspects of our business. This is the result of defining a sustainable value added strategy and executing that strategy over the last six or seven years. I've said it before and I'll say it again. Results like this occur when preparation meets opportunity and there's no doubt that the pricing and volume demand that we've seen has created the opportunity, but if we didn't produce the volumes, if we didn't manage the costs, that opportunity would be lost and we have not lost that opportunity.

If you look forward to 2008, it is already shaping up to be an excellent year for the company. We see significant volume growth across the portfolio. The market outlook remains positive, with good global growth, underpinned by strong growth in China, and the supply side continues to be constrained. We believe that this combination of demand and supply will keep pricing above historical levels.

We are continuing to invest heavily in our growth pipeline. I hope the conversation that Marius told you to today illustrates some of the things beyond what we've traditionally shown. I've traditionally just talked about projects and execution and feasibility, but the projects that are behind that are the things that will power the company for many, many years to come. No other company in our industry has developed more projects over the last six years than BHP Billiton. So our track record is there. We have the technical skills, we have the resources and we have the ability to deliver those projects.

Once again, increasing returns to shareholders is a key driver for us all at BHP Billiton and we do that in terms of dividends, we do that in terms of capital management and obviously the share price reflects those things as time goes on and I think that combination of running your business well, re-investing in those things that you know and understand and making sure you have a financial strategy that lays over all of that, it gives you the opportunity to create a 100 per cent complete investment proposition.

As you know, this is my 23rd and last presentation of financial results for BHP Billiton. It has certainly been a privilege to be part of this organisation for the last eight or nine years. The company plays a central role in providing the raw materials that make economic and social development possible. The aspirations of billions of people around the world for a better quality of life depends on access to raw materials at a reasonable cost. Being part of an organisation that understands what its role is, delivers that but delivers that with a win-win philosophy, it has truly been a great honour to be associated with an organisation that thinks that way.

No company, even a physical asset company like ourselves, would be successful without talented and dedicated people to make that happen and I have been very fortunate to work with some of the best people and people from all over the world. I'd like to take this opportunity to thank our employees, thank our contractors for their hard work, for the energy, for the effort, the contribution that they've made to the success of this organisation over the last six, seven and, for me, nine years. I certainly leave knowing that the company is well positioned for its next phase of growth. Marius, as you know, is well versed in all the key aspects of our business, lots of energy, an excellent strategic perspective. But I think one of the pleasures is to turn over the company to someone inside BHP Billiton because Marius, like others inside the company, they know our strategy, they know our people, and they know the opportunities that this company has and so, needless to say, I think Marius will make an outstanding CEO of BHP Billiton and as a final word, I wish all the executives and all the members of the BHP Billiton family all the best for the years to come.

So with that, we will go to questions. What I'd like to do is have you direct your questions to me and then what I'll do is I'll pass it around to our team as appropriate. We'll start here in Sydney and ask a few questions here and then we'll move around to London, Johannesburg and the telephone and we'll handle it in that way. If you could just wait for the microphone to come to you so that the others on the video call can hear. Neil, why don't we start to with you.

QUESTION: Just from the presentation that you've just given, can we take it that you've actually now got a target of 9 per cent growth per annum going forward? Iron ore up to 300 million tonnes per annum is a huge number. Can you give us some idea of what is actually required to get you to those sort of levels in terms of reserves and resources things like that? And also Olympic Dam, can you flesh out a bit more what's causing the delays? Also, aluminium smelting is not on your list. Can you give us a view on aluminium, given that corporate activities occurred in that sector.

CHIP GOODYEAR: Normally if I could take three questions and move on, I guess you swallowed all of them. I think, as I probably do regularly here, I'll turn those questions over to Marius, starting with the 9 per cent target in iron ore and so on.

MARIUS KLOPPERS: As you've seen in our results over the last couple of years, I wouldn't say it's a target. Things aren't exactly predictable on a year-on-year basis. What is a target, though, is to try and meet the market with those opportunities that we've got in our portfolio and I think the capital guidance that I've given should be taken as guidance.

On the iron ore side, we believe that the resources are in place, that the plans are in place and as we progress in the year during the visits and the analyst presentations with that business, we'll make the various break points in that business a little bit more sharper, but I think it's entirely consistent with what Ian has said a couple of months ago - Ian Ashby, that is. So in terms of what it means, I don't know. I'm an engineer, so I round off $100 a tonne, 200 million tonnes, $20 billion of investment, roughly speaking, to get there.

Olympic Dam, we have seen capital cost increases in the general industry, it costs more to build the same thing, and therefore it is more important to make sure that the footprint of what you build is as technically efficient as possible. What we're trying to do is to mature a number of technologies that are going to allow us to take major pieces of kit out of the footprint of that asset and again we're planning for 100 years here, so we want to make sure we do it right.

Aluminium smelting, we are in the upstream business, we are in the rent business, we like aluminium smelting as long as there's rent captured in it and I think that you'll see us grow our portfolio there opportunistically where there are real rent capturing opportunities as presented by truly stranded energy. Truly stranded energy has rent and those are the things that we will be investing in, not more. So I hope those questions are answered.

QUESTION: Congratulations on the results. A couple of questions just following on from that one. Firstly, with this higher growth rate, it's obviously a vision that you have. Is it because India is now accelerating perhaps faster than you'd previously been estimating? Is it starting to show up on capital intensity charts? Secondly, on some of the projects you mentioned there in potash and titanium dioxide, given the size of the company earnings now, they would seem to have not as meaningful impact as it would have, say, five years ago. How do you fit these projects into such a big portfolio?

MARIUS KLOPPERS: I think accelerating your capital build program is a little bit like building a house, you've got to put the foundation down, nobody sees that, and we've done that over the last six years, putting the project managers in place, building up their capability, accelerating and so on. And where we are today is we probably have the solid foundation built, we've got a couple of walls up, but for those of you that have built a house, the next set of walls actually go up very quickly and I think that's sort of where we stand today. We've got the teams, they've been working, we need to get them to do more, and it is in response to how we see the market. Clearly, India is growing, there's been a change. We're selling almost as much product to India as a percentage of our volume as we did to China at the time of the merger, just a per cent or so less.

To the second question, potash and titanium, we look at the quality of an overall industry and the quality of our resource base and the quality of our opportunity within that. We don't have a scale cut-off, other than the overall industry potential must be material, and I think that both of those things that you mentioned are material. We believe we're certainly in a little bit more advanced stage for Corridor Sands than the potash but we've got a fantastic set of opportunities and they deserve our attention.

QUESTION: I also would like to talk about growth and I remember several years ago, probably five or six years ago, we were talking about growth in the iron ore business and how you were concerned you weren't going to grow or over provide the iron ore industry and you weren't going to do a big jump from 100 to 150, you were going to do it in three phases. In retrospect, that hasn't been a good decision, given the enormous run in iron ore prices. I guess you can talk about cash flow up-front versus cash flow through years. And what I’m hearing about Olympic Dam, where you're talking about capital phasing, by the sounds of it, stages of production, by the sound of it, maybe stage 1 to 500, stage 2 to 750 or 1 million tonnes, is that what we're looking for there or is it trying to optimise the massive size that that pit needs to be to deliver 1 million tonnes a year?

CHIP GOODYEAR: Let me try to hit the iron ore question briefly and Marius can build on that and the Olympic Dam. A couple of years ago we decided to phase some of the iron ore construction. Now is that a good decision or not? The question at the time was it was a huge capital number. If we went ahead and did that, was the marketplace going to allow us to absorb that and could we deliver it on time? We've always said a project that you plan and don't deliver isn't worth anything to you. We have to be confident we can deliver. Would it be nice to have the production? Sure it would. The only thing I'd say is you probably will find over time it's not a huge amount of tonnes because you miss it by a year or 18 months and that's the delta on that incremental production because we have moved forward with that. So, again, it would be great to have it, but you have to trade off against the risks that it would take to do that obviously in that market. Marius.

MARIUS KLOPPERS: On the Olympic Dam, obviously an enormous ore body. It wouldn't surprise me if it turns out to be the second largest base metals ore body ever discovered. We're still drilling. It is a complex ore body in terms of metallurgical constituents and heavy in usage of water, sulphuric acid and so on. Anything we can do to diminish that will take out capital and together with a large bite that you've got to take in order to open up the ore body, we just want to make sure that we do it right, that the technology will work, that the scale-up factors are the right ones, and so on.

Once you've taken that first bite, you can probably take a little bit more of a relaxed view. You've got your flow sheet, you know what you're going to do, you know whether it works, hopefully, or not. Then as uranium demand materialises, you continue from there. So that's the way I look at it and I think it is a slightly different situation from the iron ore one, in that you've got to make sure you do it right because you're really starting a business, not from scratch, but in a materially different way and it's going to be there for generations, and you're laying the foundation for that.

CHIP GOODYEAR: Let's move to London and see if there's some questions there and we'll circle back here. Alex, I might turn it over to you and see if there's anything there.

QUESTION: Just a quick question on China and India. You spoke about your focus on export assets. Perhaps you could talk a little bit about your attitude or your aspirations to the development of projects inside India and China.

CHIP GOODYEAR: I'll talk about what we focus on and as Marius mentioned and I've talked about, large low cost, long reserve life assets. China has good assets in the area of coal but in other areas to date it's been difficult to find things that fit our corporate strategy. So we continue to focus on that market, but until we find a resource that fits our long-term objective, it's going to be difficult to find a good investment opportunity. India is different. It's both a market and a potential production region. It does have good resources in a number of areas, particularly in iron ore and bauxite. The key is you've got to be able to develop those in an economic fashion. Today, India is very much focused on vertical integration and downstream processing of local raw materials. We see that as a domestic market. We think those materials will go into that marketplace. If there is an opportunity for us to participate there and obviously create a world-class business servicing some of the resource demands in India, we'd participate but again it's got to be not only a nice resource, we've got to make an economic opportunity out of it.

MARIUS KLOPPERS: Can I add something to that. Perhaps my choice of words was unfortunate. Let's call them globally priced commodities. Let me use an example that illustrates the point. Mike has got in his portfolio a number of Petroleum assets but not a single drop of that petroleum is ever going to leave the Gulf of Mexico. However, that petroleum is priced on global supply demand fundamentals and in line with global price metrics. Those are the types of businesses that we like to be in, not cost plus contract mining, et cetera, and it was really aimed at that, my comment was.

CHIP GOODYEAR: Another question from London.

ALEX VANSELOW: Yes, we have another one, Chip.

QUESTION: Two questions. First of all on capital management, you've got $6.7 billion outstanding which you aim to complete by August 2008. I'm just wondering whether you might look to expedite that or going forward, look to timing those buy-backs given the turmoils that we've seen in the markets and the impact on your stock price, whether you can take advantage of the current sell off and bring forward some of that buy back? Secondly, could you give us a quick update on some of your growth projects such as Ravensthorpe and Atlantis. Are we still on track for delivery at the end of this year, early next year, on those projects?

CHIP GOODYEAR: Why don't I ask Alex to answer your questions about the buy backs and how we're approaching that and then in terms of answering questions about Ravensthorpe and projects in Marius', we'll ask him to do that. Mike, I might ask you to just briefly comment on how you're doing in the Petroleum area.

ALEX VANSELOW: As mentioned, we have a track record of delivering those capital management programs ahead of schedule and we plan to continue to maintain that track record. What we use for this current program is a combination of on market and off market. We have done an off market in Australia. We're currently doing on market and will continue to consider those two, but our target is to complete at the latest by August 2008.

MARIUS KLOPPERS: On Ravensthorpe, a very good picture there over the last year. The team has effectively kept schedule and cost since our last reporting period. We continue to give guidance that in the first quarter of next year we will have final product popping out the back end . That means that on Ravensthorpe itself we are in a very advanced stage of commissioning, with people filling up the plant, testing the various subsystems, and we have no reason to believe that we need to update anything that we said before.

CHIP GOODYEAR: Mike, if we can go to you. You've got quite a number of projects in your area. We might get you to answer a number of the things about Petroleum.

MIKE YEAGER: In regards to the question on Atlantis, certainly we're in the process of commissioning the top sides, continuing to drill. We have seven wells down now and ready to go. As we continue to provide guidance around starting up before the end of the year, we're very confident in that regard. Obviously as we enter the hurricane season here, things like that are still variables that could bite us but certainly we feel that we are at the end of a long journey there and hopefully we'll capture our 44 per cent of that very large 200,000 barrels a day, that will be some of the very best fiscal returns in the world there in the US, the Gulf of Mexico, and in a robust market also. So the fundamentals there are moving forward, more confident.

As you've mentioned, there are four other additional projects that we will be bringing on line in the next six months, Zamzama, Genghis Khan, Neptune and Stybarrow. All those are reported and we're clearly moving down the pathway that gives us great confidence that everything that we've put forward here will happen and happen as we've described it. So very, very opportune time building a workforce that is required to operate all this. All these are BHP Billiton operated, with the exception of Atlantis, so some very big changes for us and we're very excited and it should be a good next six months.

CHIP GOODYEAR: Alex, one more question with you and then we'll move to Johannesburg.

QUESTION: A question for you, Mike, on your growth target, volume growth targets - eight or nine; could you confirm the numbers - and one question on PGMs. Interested to know your views on whether PGMs would fit your portfolio.

CHIP GOODYEAR: Mike, why don't you handle the thoughts around the Petroleum numbers and then we'll come to Marius and thinking about PGMs.

MIKE YEAGER: In regards to Petroleum, as most of you know, we did report in our production report in the last few weeks that in this fiscal year we had volumes that were very slightly above our previous fiscal year, about 116 million barrels. We're extremely proud of that to be able to offset what is normally a 5 to 8 per cent base decline and the fact that we were counting on Atlantis starting up during this fiscal year and it did not. The ability to offset all that was a very significant achievement by our organisation, being able to find additional opportunities, get our development drilling cranked up, try to move products through our facilities and get our facility run time which, by the way, got up to 93 per cent across our entire portfolio. We're very proud of that. I think we've got a good base for these new projects to land on. We're very hesitant to provide an exact number in regards to going forward, as I mentioned, whether it be hurricanes, whether it be the fact that these things are in 5000 feet of water, miles above the ground. There are many variables that could go wrong there. I do notice, though, that it looks like most of the analysts are saying something in the mid 130s in regards to millions of barrels this year. I don't think we have any reaction to that that's very negative. Certainly there's a lot of things that could happen that would cause that to be lower, some things that could cause it to be higher, but right now we're going to get these things on line. It's a very busy time for us. If we do it right, we'll have a substantial growth in this next fiscal year.

MARIUS KLOPPERS: PGMs, we've got that line on what the type of assets are that we'd like to own. I should add to that that we'd like to emphasise again where Chip started off today, safely and environmentally responsible. Provided that we can achieve that, I don't see any reasons, the industry structure size, the nature of the product and so on, that there would be any reasons to exclude PGMs from the book ends.

CHIP GOODYEAR: Just adding to Mike's comments, I think it's important to note that Atlantis is so significant that a movement of a month or two one way or another does have an important impact because it's unlike having a lot of small things, some are a little early, some are a little late. One big thing coming early or late can impact on the number. Keep that in mind. I think we've done three in London. Let's try Johannesburg. Mike, are there any questions down there that we can answer?

QUESTION: Maybe I can just ask a question about the cost increases. They're reduced to 3.6 per cent. The business excellence part, the $203 million negative that you managed to achieve, is part of that due to the renegotiations of the smelter agreements that you've had from the Chinese, the Japanese moving into the Chinese smelters? Because of the negotiations have just happened, are we going to see more savings coming through in that regard? And to maybe continue along that line, with structural changes in pricing, CIF pricing verses FOB pricing, especially for the iron ore industry, was mentioned a couple of years ago. With this sort of growth in iron ore - obviously a lot of it is going to head into the Chinese market - are we going to see more emphasis on pricing in that market?

CHIP GOODYEAR: What I'd like to do is maybe ask Alex to talk a little bit about the savings and then perhaps if you'd like to add anything about TCRCs or about the location differential in iron ore. Alex, can I turn that over to you.

ALEX VANSELOW: The renegotiation of smelter agreements are not part of the $203 million. What you have in there is hundreds of small projects - I think the average is something like $200,000 per project - that have been delivered that really shows the focus of everybody in the company contributing to that. What you've seen there as well is the proliferation and sharing of best practices or a special practice that allows us to save any specific components, for example tyres. We used that example a few times. So what you see is what has been delivered this year in terms of cost savings. What is not in there is things that have been delivered in terms of revenue enhancement or cost avoidance that are on top of that $200 million. And on the back of that hundreds of projects that have been delivered, there are thousands of projects that we're still working on. So it is that focus on cost that I mentioned earlier that you're seeing translating into the bottom line.

MARIUS KLOPPERS: TCRCs, the way our contracts are structured is they are bricked and you should be able to work out from the numbers what we saved in terms of TCRCs this year. If you just look at a normal brick contract three years, you've got a figure that there's probably another two-thirds of the savings to roll through, and in this first half, we should be substantially out of any PP, so I hope that gives guidance.

On CIF pricing, we remain convinced that products should be priced on its delivered value and use parity. We note that the spot price yawns larger than ever over the Australian delivered contract price, given record high freight market, so I think it's going to continue, as we've indicated, over the last two years. We think it's going to continue to remain a discussion item until one day we price product properly in that market.

CHIP GOODYEAR: Just for those that are not familiar with bricked contracts, that means there are contracts maybe two or three years long and we stagger them so they don't all come off every year. It's important to remember that. PP is price participation. So as you know, if you followed that at all, we have worked very hard to eliminate price participation, particularly when you see the prices that we have today relative to where that prior sharing level commenced, so that's been a very important part of our strategy in that area.

CHIP GOODYEAR: Thank you for that. Mike, is there any other questions down in Johannesburg?

QUESTION: I've got a question on Metallurgical Coal. It looked like the metallurgical coal prices were on a pretty steady downward trend from 2005's peak. The expectation now is that prices are going to increase, certainly next year, if not the year after as well, but in your project pipeline, there's very few near term projects, except for Indonesia. The question is what is happening with Marawai, and two is there a potential to bring that forward on a larger scale, as is the ultimate plan, and are there other projects similarly that could be brought forward to meet that better outlook for the met coal market?

MARIUS KLOPPERS: I think the core of our operations for the foreseeable future is going to be the Bowen Basin. I should note that we've got two projects that are being ramped up at the moment. We've got the coal plant which is being ramped up.

I think the way to look at our Bowen basin portfolio - I think Dave Murray described it a couple of years ago - was we've got all of the opportunities lined up, we've got to decide which one we've got to kiss first, and that situation is unchanged. As that market matures, as we become more confident, I think we're going to execute those infrastructure and mining projects to meet that demand. We are very optimistic about that market, we think that the fundamentals are very good, and I think we're doing a lot of preparation to make sure that we appropriately respond as the market leader in that business.

CHIP GOODYEAR: Mike, one more down there and then we'll go to the telephones. .

MIKE YEAGER: No questions here in Johannesburg for Chip. We'll turn it back to you.

CHIP GOODYEAR: On the telephone, we have some questions there.

QUESTION: At this stage we seem to have no questions.

CHIP GOODYEAR: We've answered every single question. That's perfect. We'll come back here and we'll see if anything shows up on the phone.

QUESTION: I'd like to ask a question about internalising climate change costs and I'm wondering what impact that may have on your part of the cost curve and the various divisions which may be affected most, either positively or negatively?

CHIP GOODYEAR: That's a huge question and we could spend lots of time on that particularly if you want, so we're not going to do that to everybody. I guess what I'd say is there's no doubt that carbon emissions are a critical global issue. We responded to that by setting our next set of challenges and our policy around carbon emissions. We have done that now since 1995.

Many people woke up last September and said we've got an issue. They went back to see us. We've had targets that began in 96 and we had another five year challenge which just ended in June, so that's why we updated it. What we would like to try to do is we would like to be in a position where the savings we get from energy consumption deal with the cost of getting there and that may be an optimistic target, but we've seen some very good performance in Ekati when there was an issue with the ice road. I think we took our diesel usage down by 12 per cent. We can make that happen. That's our target for our businesses. There will be some that will be better off than others. Marius talked about energy, the role that nuclear power will play. We're involved in the natural gas business, but we're also in the coal business. We believe clean coal technology is something that requires intense focus from industry, from government, the educational and research parts of the world. So what I'd like to say is we're very attuned to it, I think we're focused on the economic impact and we've set targets around that and we do want to make sure that our organisation doesn't look at it as an excuse to increase cost but you look at it as an opportunity to create efficiency. So beyond that, perhaps we can have some conversation about it maybe off line, but it is something that an organisation like ours simply has to be up to speed on and involved in.

QUESTION: Two questions, Chip. The first is back to Mike on Atlantis. When you talk about an eventual target of 200,000 barrels per day, I wonder if you could split that out roughly in a time period for us, irrespective of the cyclone season. Secondly, some comments please just on the Newcastle Coal Infrastructure Group and a most likely timing for the commencement of the construction of that port.

CHIP GOODYEAR: Mike, we'll let you take the Atlantis question. Marius, you want to do Newcastle. Let's try Mike. We'll move to you first about timing of the ramp-up of Atlantis in a normal case.

MIKE YEAGER: As everyone knows, we have a number of wells that we will have predrilled and will have the opportunity to bring those on in a fairly substantial manner once we do the commission that says the first oil is safe to bring on board. These are going to range from 10 to 20,000 barrels a day. Right now we have seven down. We have others that are active and we will continue to drill. We're going to come on in a good strong way there. Obviously how each and every well behaves and how that works will have some variability to it, we'll stagger that, we will be collecting very, very important data of the reservoir as we bring these wells on, being able to measure how far we can see into the reservoir and having to update our geologic models and the placement of future wells. So I think the best thing I can tell you right now is we hope some time during this fiscal year, probably the middle of the second half, to get to full production. We think that will take about 11 wells in order to be maximised. We're drilling now and clearly we'll be coming on with these first seven and adding these additional four toward the tail end of the year, so that's probably the very best guidance I can give you right now.

MARIUS KLOPPERS: Of course you've got to embarrass yourself at least once. Luckily, I've got Dave Murray here. He tells me it's some time next year on Newcastle.

CHIP GOODYEAR: Obviously you, particularly here in Australia, are very familiar with the infrastructure issues and we obviously have a desire to met some of that market demand and expansion of infrastructure is quite important. Dave and his team have been working very hard on this and obviously we think we have a way to begin doing that, but obviously that volume capacity, to the extent we are successful, is going to take some time to develop. One question in the back.

QUESTION: Just wondering Australian Workplace Agreements. How important will they be to maintain here and what pressure have you put on the opposition, should there be a change of government, to maintain those workplace agreements?

CHIP GOODYEAR: Let me just briefly answer. We don't care what you call our relationships with our employees. We have all kinds of relationships. We have workplace agreements, we have union contracts, we have many other things around the world.

What is critical to us is we have a direct relationship with our employees, not through an intermediary. So we're not anti-union. It doesn't matter to us. Again, we have all kinds of relationships. But it's critical that that relationship is a direct one, where we can keep those channels open and create the efficiency we need and the market needs.

Pressure on the Opposition, we don't put pressure on anybody. We recognise that we operate at the pleasure of those that own resources and we obviously deal with all kinds of governments around that. What do we do? We talk to all interested parties and make our point known and that's exactly what we do with the government, with the opposition and that's here in Australia and that's around the world. Why don't we do one more here and then we'll go to London and see if there's anything there.

QUESTION: I guess just two questions. One, I guess when you look at your steady earning growth that you've had half on half and you threw that margin chart up which showed that expansion, how do you explain the share price volatility over the last 18 months? The market forget about you and it re-awoke this year. 12 months ago you were aggrieved about the multiple that the company was carrying. I think they've probably gone down since that time. How do you explain that? What is the market missing?

CHIP GOODYEAR: I'm going to turn that question right back to you. All I can tell you is we run the business, we understand and we've talked about it a million times - what is our strategy, execute that strategy and go from there. We can't, every day or every hour, determine how is the market going to react. There are a lot of strange things going on. As we've talked about before, time frame for investors has shrunk and that's not our business. We can't run our business that way. So I can't really explain that. I think many of the points you made are right. We have powered on through what is multiple years, certainly multiple six-month periods of performance, and again for somebody who's observed that, it's been a wonderful ride. Is it priced right? I need to turn that back to you guys. Eventually it will be. Alex, maybe back to London.

ALEX VANSELOW: We have a few hands up here.

QUESTION: Just a question on the aggregated Capex guidance that Marius gave talking about $8 billion ahead of around $5 the last few years. That delta of $3, do you have a feel for how much of that is sort of step change in project building capabilities and how much is the capital inflation? Secondly, on the $8 billion figure, what is the limiting factor in that? Is it construction capability, is it the market demand, what's the cap on that?

MARIUS KLOPPERS: I don't think I've broken that out in the unit efficiency of capital, that's not a piece of analysis that we've done when we came up with the $8 billion. I think that's a number that we feel comfortable that, on average, we can deploy over the next couple of years, given the capability that we've got. I should point out that it's going to be lumpy. Lumpy projects get approved and then the cash flows follow. So again that's an average guidance and it's based on the portfolio, the market and what we can execute.

QUESTION: When you've completed Spence and Sulphide Leach, you'll probably go into a kind of a holding pattern or copper, which is a lack of growth to 2010 at least. But with a sell off in equities and some of these names in the Congo area which have had massive sell offs and realistically provide big volumes near term, are you in discussion with any of those producers that some of your competitors are also?

CHIP GOODYEAR: I could answer that but I will turn it over to Marius and give him some practice.

MARIUS KLOPPERS: No comments on specific opportunities, but perhaps a couple of comments about the copper market. Firstly, we always look at the growth in the portfolio, not the growth in any one particular product. The second comment, perhaps, all of these very greenfield new geography projects are taking longer than people anticipate, so not clear that they actually are in the time frame that you talk about, and then lastly anything we look at has got to fit with that strategy that we outlined.

QUESTION: Building on what has been asked, in terms of Capex, can you give us any guidance on your sustaining Capex? The second question if I may on Aluminium, which areas in the world would you consider to have stranded power, as you call it?

CHIP GOODYEAR: Maybe I might turn the maintenance Capex to you Alex and maybe Marius you might talk about stranded power.

ALEX VANSELOW: I'll talk on sustaining. The sustaining that we've seen for the next year is pretty flat compared to this year, despite new production, despite the plant being in operation 100 per cent of the time.

CHIP GOODYEAR: I think that number was about 1.4 billion.

ALEX VANSELOW: I can provide the specific number for sustaining.

MARIUS KLOPPERS: If I could answer that question in one line, I'd save our business development guys a lot of trouble, but in general, stranded power is where you have power and no alternative use for it and I think that's as much as I can do to describe it. So it's something where you can use the power for an extended period of time for nothing else but in power intensive industry.

QUESTION: I've read with some amusement this morning your assessment of the credit concerns and the impact on your business and I fully agree with that. One angle I would ask myself is if you wanted to do deals of a larger nature, given your opportunistic strategy, do you think now that would be a little bit more difficult? That's the first part of the question. Secondly, one of your peers has done an acquisition which stretches this balance sheet significantly. I just wanted to hear from Marius what sort of stretch you could see yourself in or would allow yourself if the opportunity you talk about arose?

CHIP GOODYEAR: I'll ask Marius to answer the second part of the question. The question - the first one is given your the credit issues around the world, would financing be more difficult. I'd say a couple of things. Financial markets are somewhat in turmoil. I would also say our financial position, I would say, is as strong as it's ever been and our capability to manage financial exposure is quite significant, so I don't really want to answer your question directly because I think that would - certainly in almost any size range, we certainly have plenty of access to financial capability, but obviously markets are in turmoil and I think that's just something to note, but I have to say what we see as an opportunity set, I think that this company has shown that it can manage itself operationally and financially in a very strong way.

MARIUS KLOPPERS: Just to add, 50 per cent plus margins, $16 billion of cash flow. The absolute quality of the quality in the industry and a high level of discretion about how you spend that cash. I certainly don't see that financing per se is going to be a constraint here for whatever we choose to look at. More important is strategy, quality, fit and so on.

CHIP GOODYEAR: Thank you, Marius. I sounds like we have run out of questions at this point. We are also at our hour and a half time limit. Thank you for your attention. It has been an outstanding year of the company built on six or seven years of a significant strategy that's been well executed. I think the platform going forward is outstanding and a long-term outlook that is great and

I think Marius and the team will build and take what we have today and build to the next set of opportunity in the years ahead. Thank you very much and if we can answer more questions through Jane and mark and Alison and Tracey around the world, we're certainly glad to do that. Thanks again.