

BHP Billiton

ASX/ ASA Investors Hour

9 May 2007

Chris Lynch – Group President Carbon Steel Materials



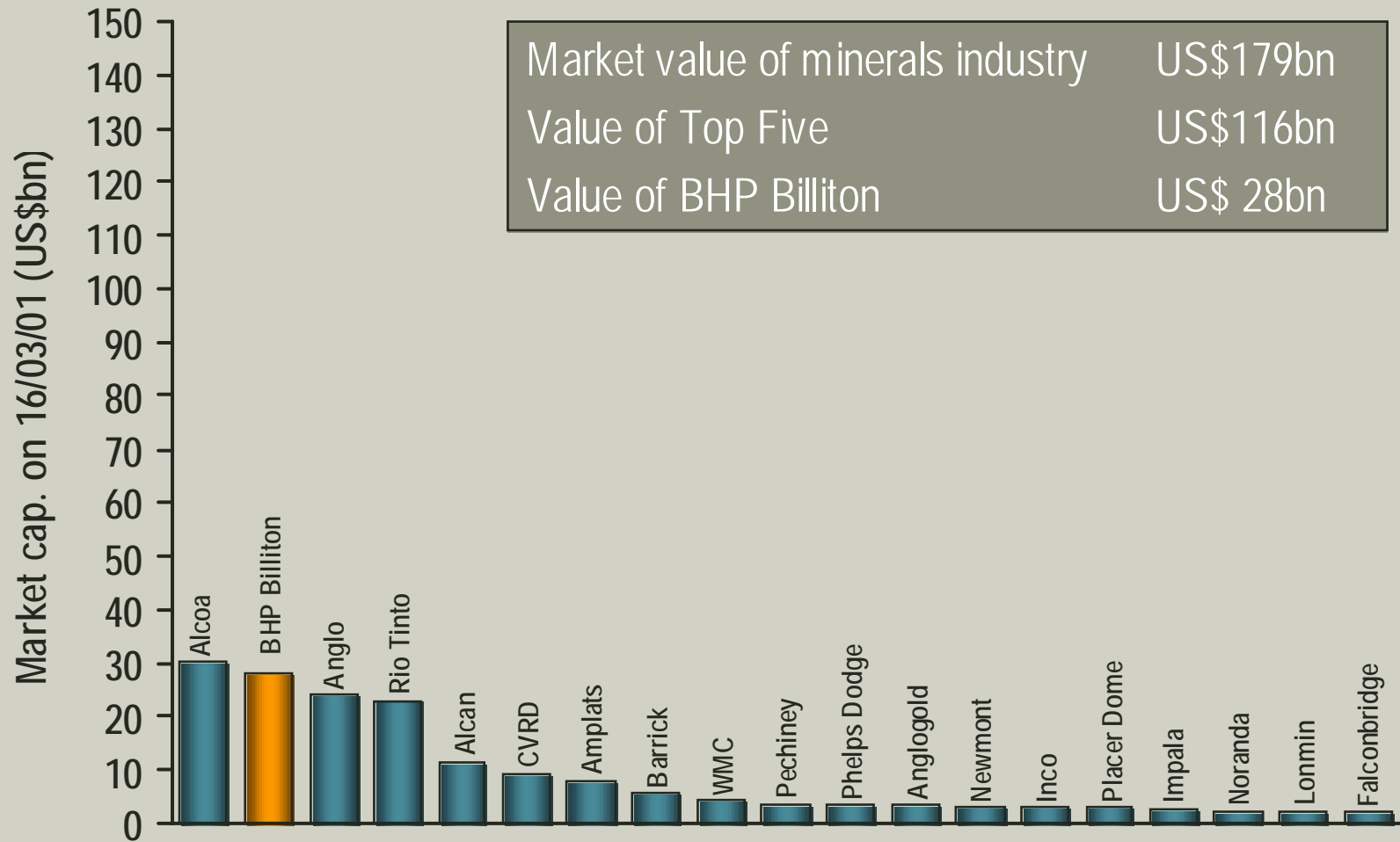
**bhpbilliton**

# Disclaimer

The views expressed here contain information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information. Any forward looking information in this presentation has been prepared on the basis of a number of assumptions which may prove to be incorrect. This presentation should not be relied upon as a recommendation or forecast by BHP Billiton.

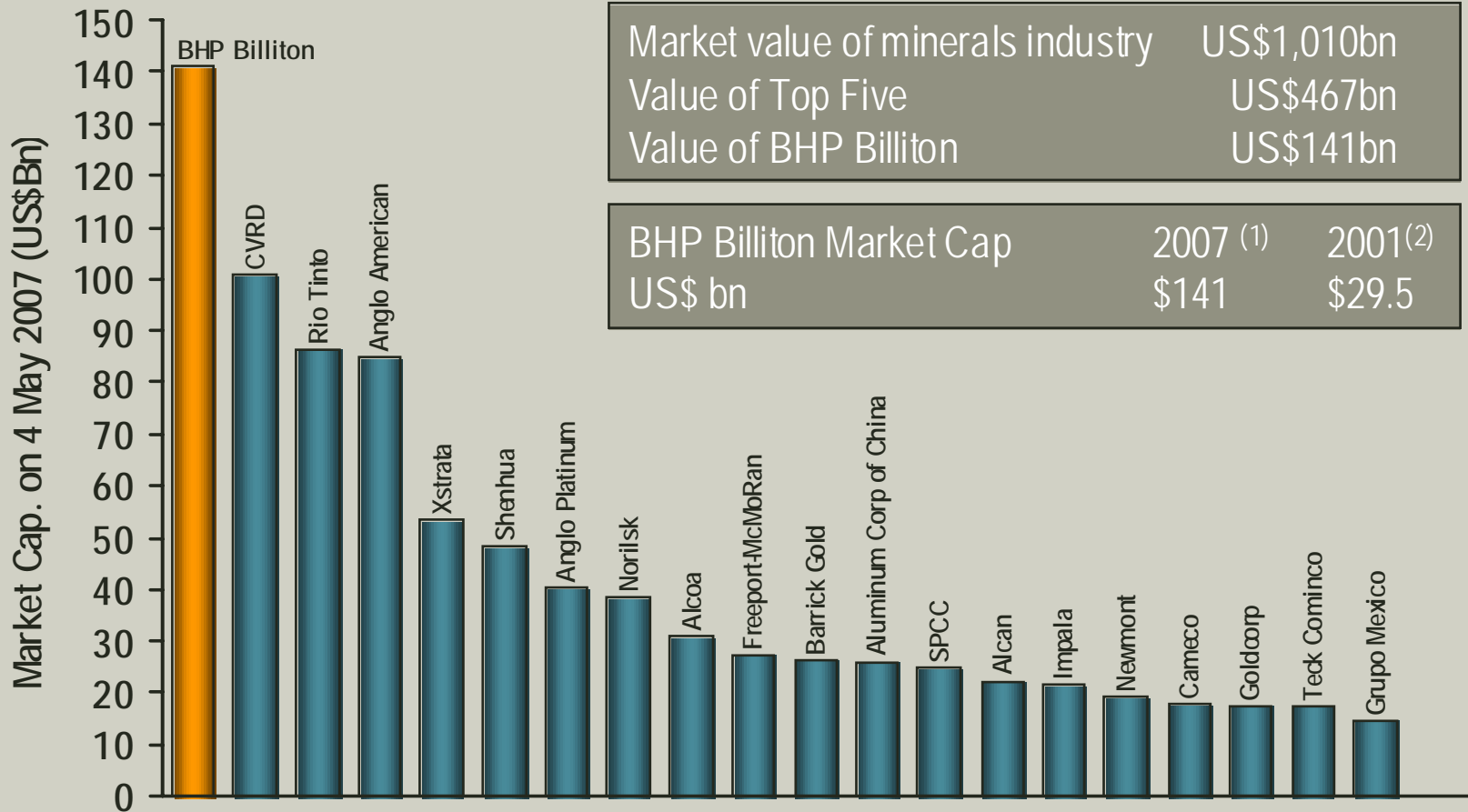
Nothing in this release should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

# Top 20 companies in the sector – March 2001



Source: Datastream (data as at 16 March 2001)

# The largest company in a consolidating sector



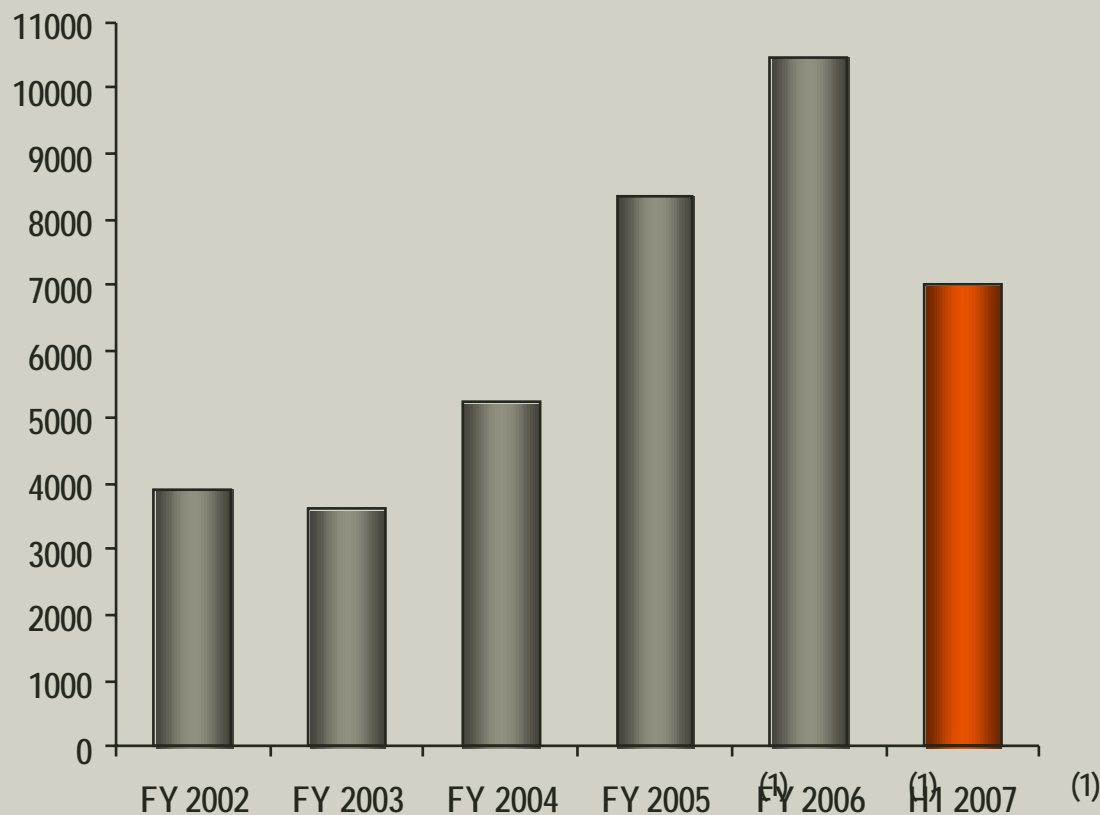
Source: Bloomberg (data as at 4 May 2007)  
 1. Market Capitalisation on 4 May 2007  
 2. Market Capitalisation on 28 June 2001

# Highlights – six months ended December 2006

- **HSEC** – 12 month rolling Classified Injury Frequency Rate of 4.8
- **Record half year earnings**
  - Underlying EBITDA up 32% to US\$10.5 billion
  - Underlying EBIT up 37% to US\$9.1 billion
  - Attributable profit of US\$6.2 billion and earnings per share of 104 US cents, up 41% and 44% , respectively
- **Underlying EBIT margin and ROCE increased to 47% and 37% respectively**
- Current pipeline 29 projects, US\$17.5 billion of investments
- **Genghis Khan** transaction signed
- **Interim dividend increased 14% to 20 US cents per share**, consistent with outlook and higher earnings and cash flow
- Board approved further **US\$10 billion capital management programme**
- **Outlook remains positive**

# Strong Cash Flow - delivering value to shareholders

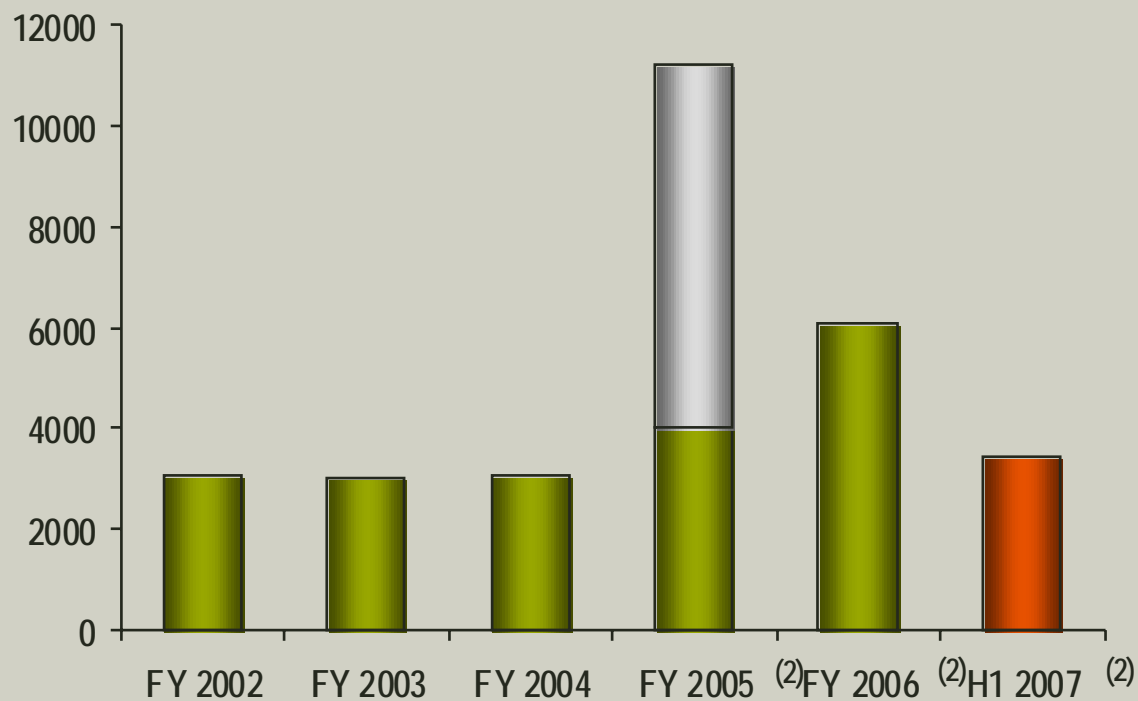
## Net Operating Cash Flow US\$M



(1) FY 2005, FY 2006 and H1 2007 data have been calculated on the basis of IFRS prior periods have been calculated on the basis of UKGAAP.

# Strong Cash Flow - delivering value to shareholders

## Organic Growth and WMC acquisition - US\$29.9 billion <sup>(1)</sup>

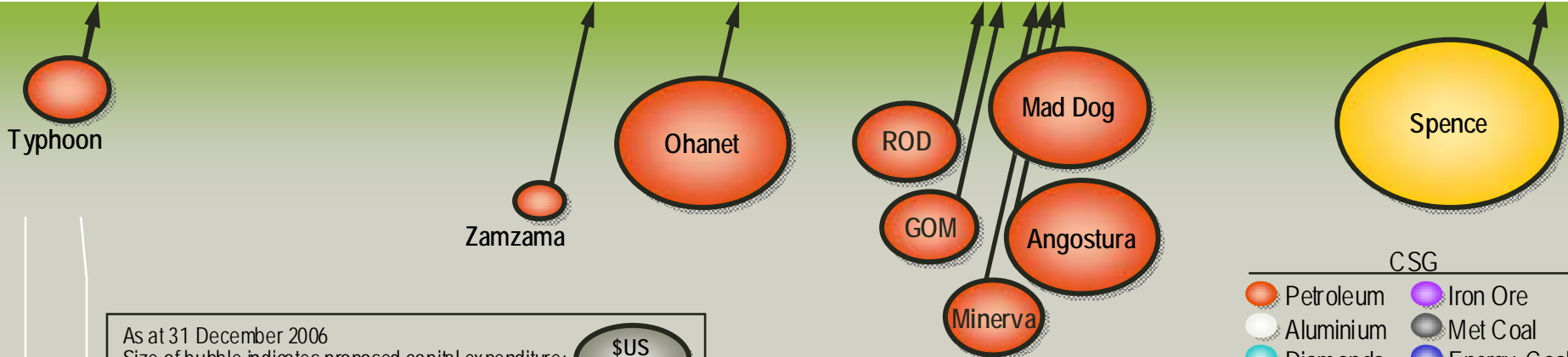
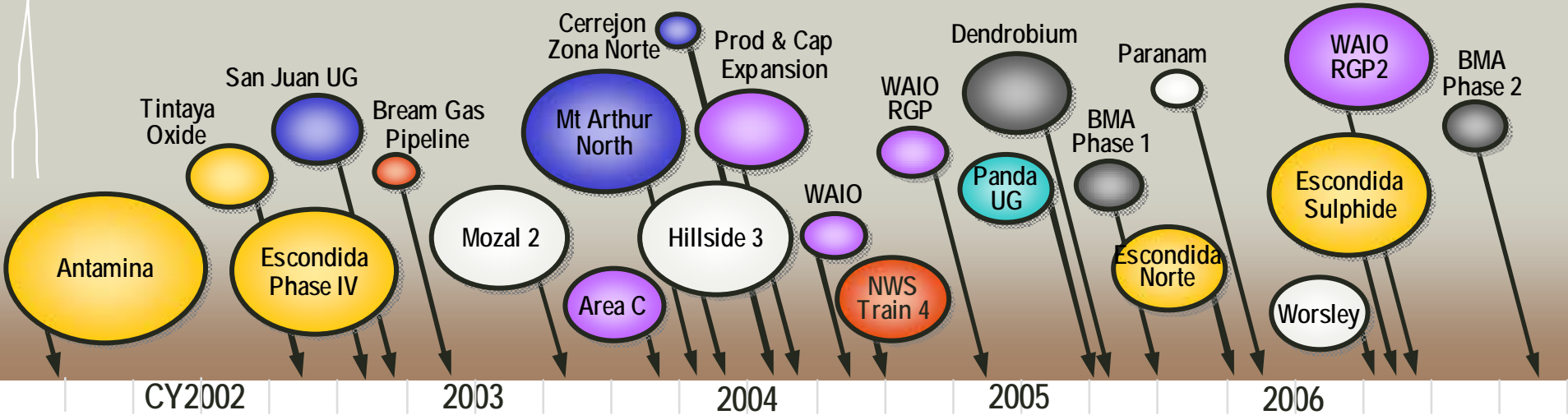


(1) Including US\$7.2 billion paid for WMC acquisition in FY 2005.

(2) FY 2005, FY 2006 and H1 2007 data have been calculated on the basis of IFRS prior periods have been calculated on the basis of UKGAAP.

# Projects commissioned since July 2001

## BROWNFIELD



- CSG
- Petroleum
  - Aluminium
  - Diamonds
  - Base Metals
  - Iron Ore
  - Met Coal
  - Energy Coal

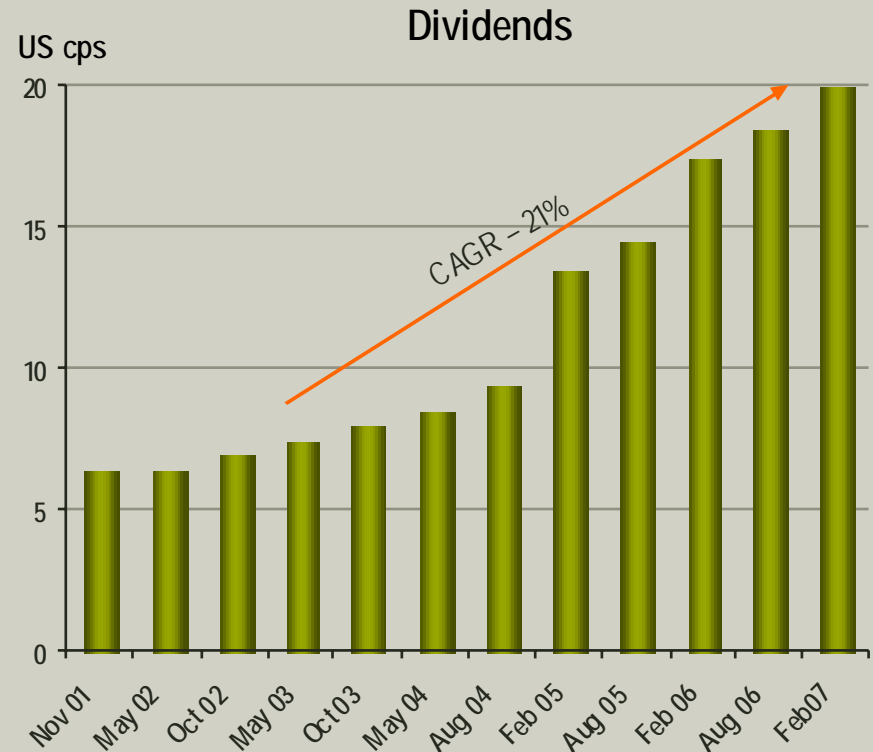
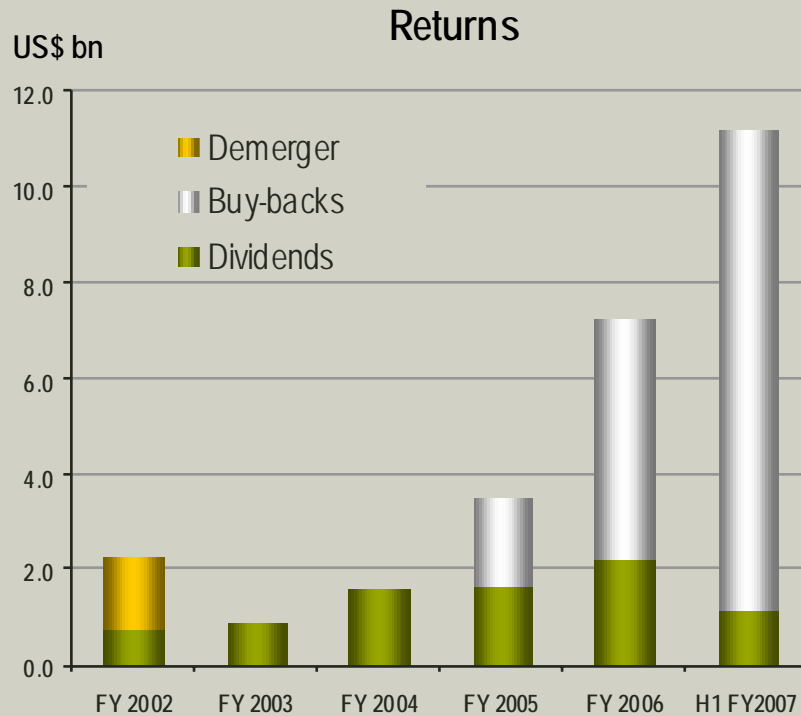
As at 31 December 2006  
 Size of bubble indicates proposed capital expenditure;  
 bold outer border signifies sanctioned project.

\$US 200M

## GREENFIELD



# Disciplined capital management

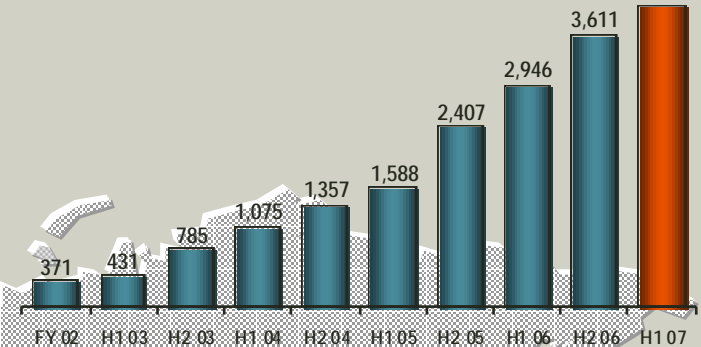


US\$26.6 billion initiatives to shareholders since July 2001,  
10th consecutive dividend increase

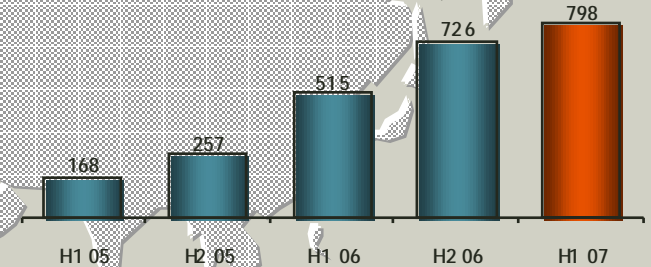
# Global demand growth continues

- **China**
  - GDP growth 10.7% for CY2006
  - Forecast 10.2% for CY2007
  - Economy running well
- **India**
  - GDP growth 9.0% for CY2006
  - Forecast 8.2% for CY2007
  - Economic growth remains robust
- **US**
  - GDP growth 3.3% for CY2006
  - Forecast 2.3% for CY2007
  - Mixed signals, but remaining resilient
- **Japan**
  - GDP growth 2.2% for CY2006
  - Forecast 2.3% for CY2007
  - Weak Yen, low inflation supporting growth
- **Europe**
  - GDP growth 2.8% for CY2006
  - Forecast 2.5% for CY2007
  - Growth gaining momentum

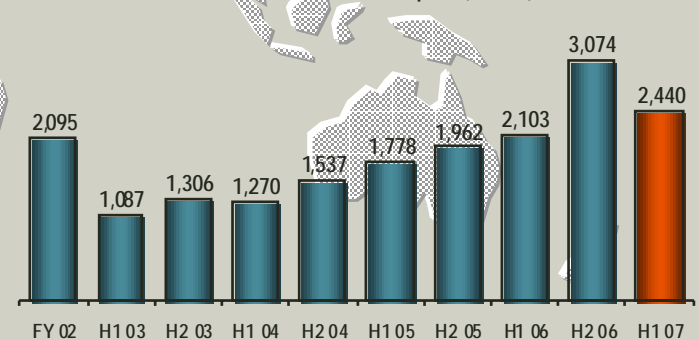
BHP Billiton sales to China (US\$m)



BHP Billiton sales to India (US\$m)



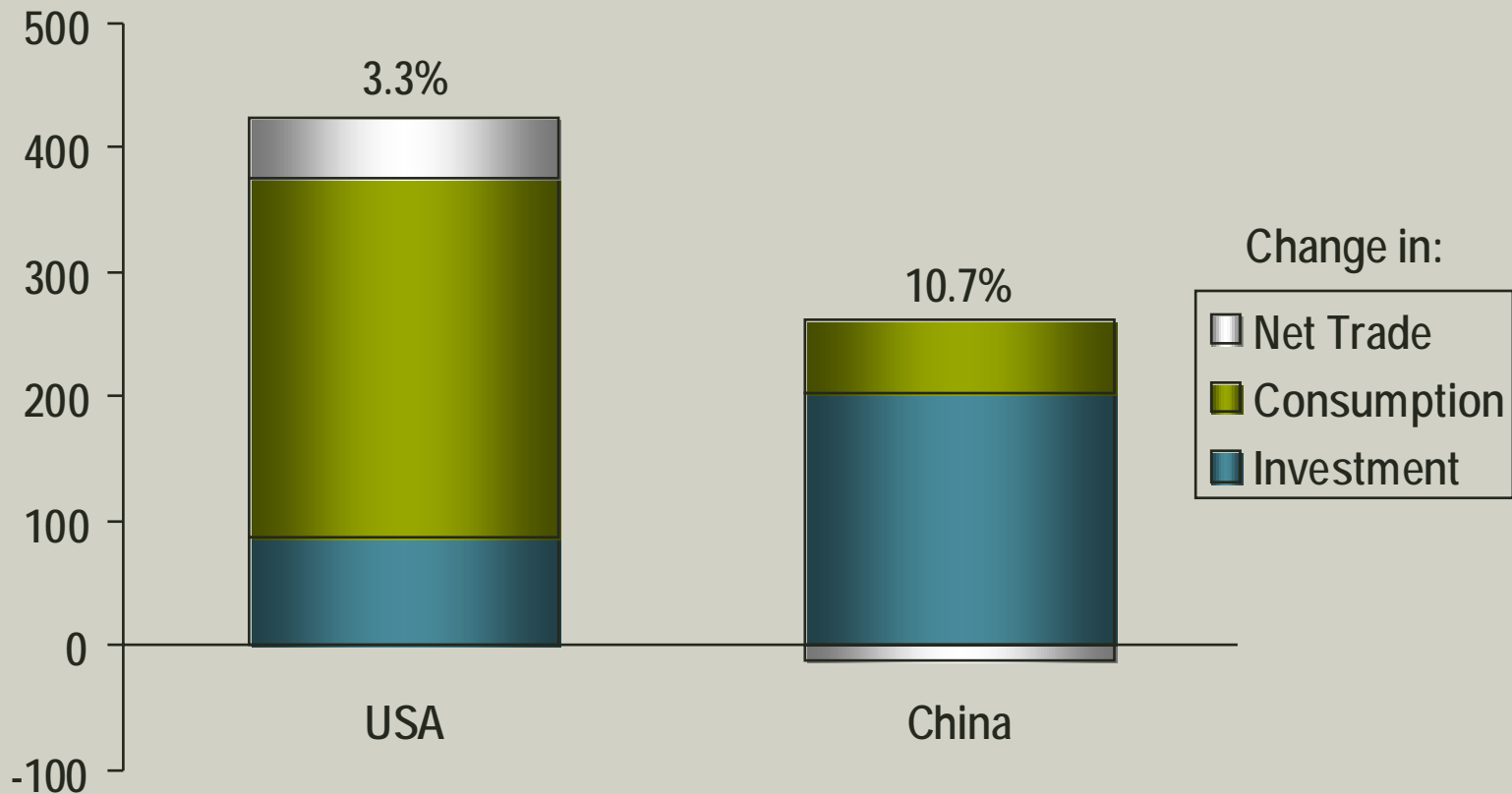
BHP Billiton sales to Japan (US\$m)



**Solid global economic growth to continue**  
**Long term outlook remains intact**

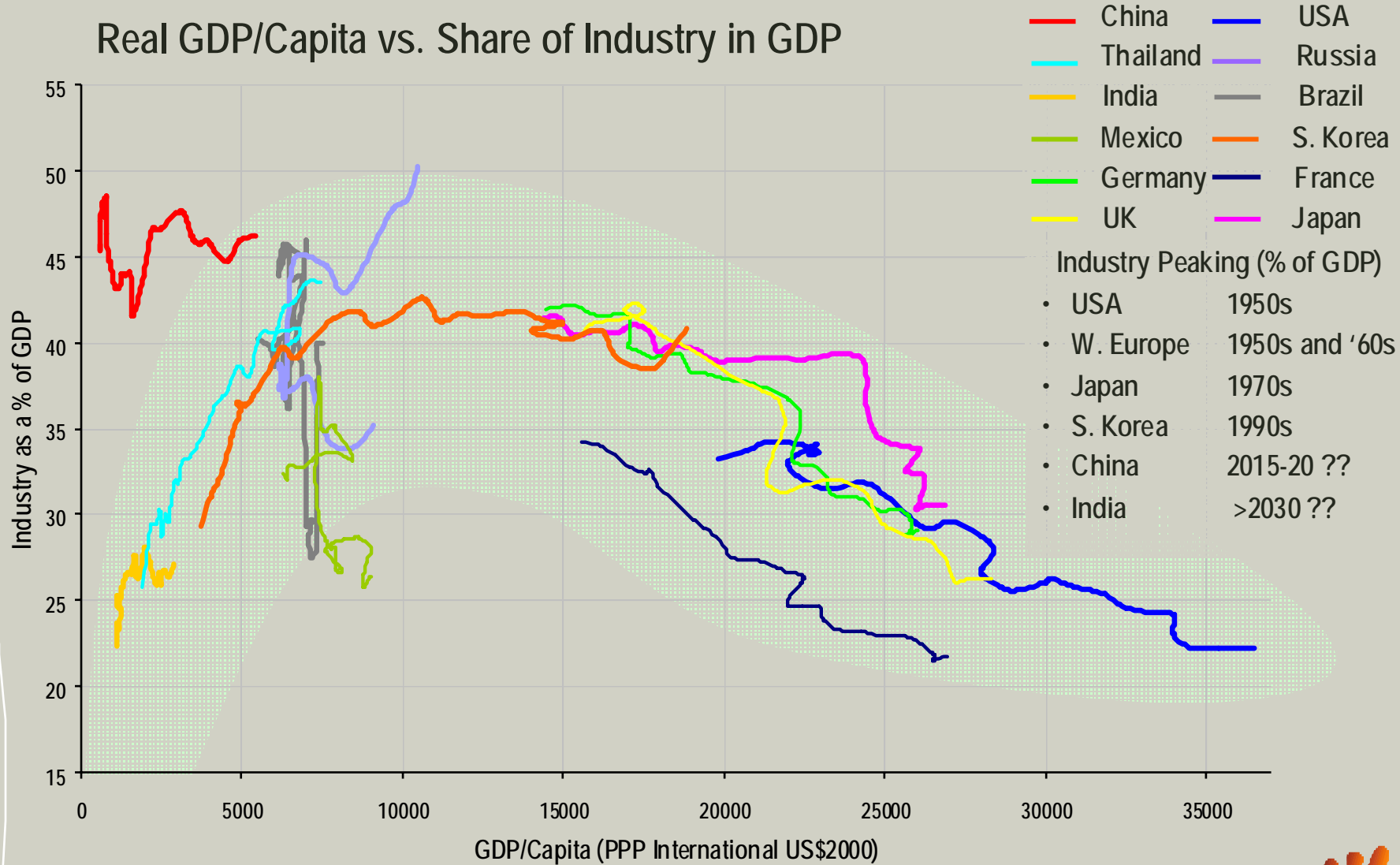
# China's contribution is strong in terms of incremental growth in GDP...stimulated by raw materials-intensive Fixed Investment

## Change in GDP in US\$ Billions in 2006

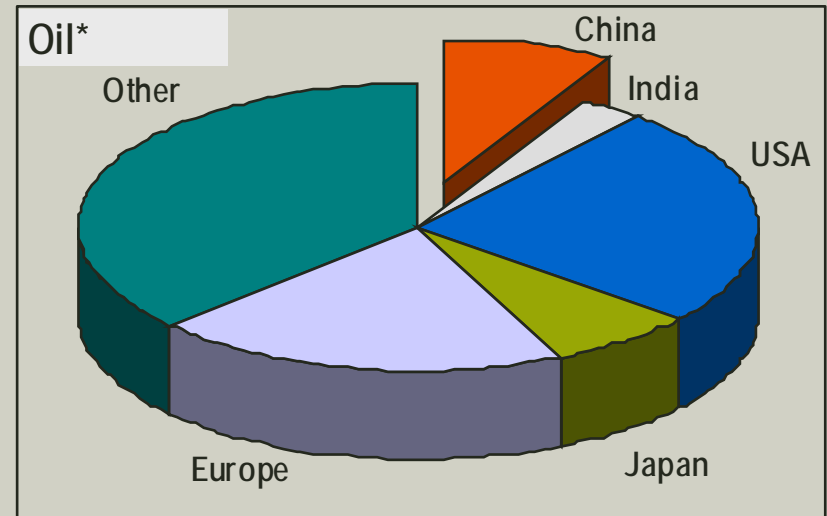
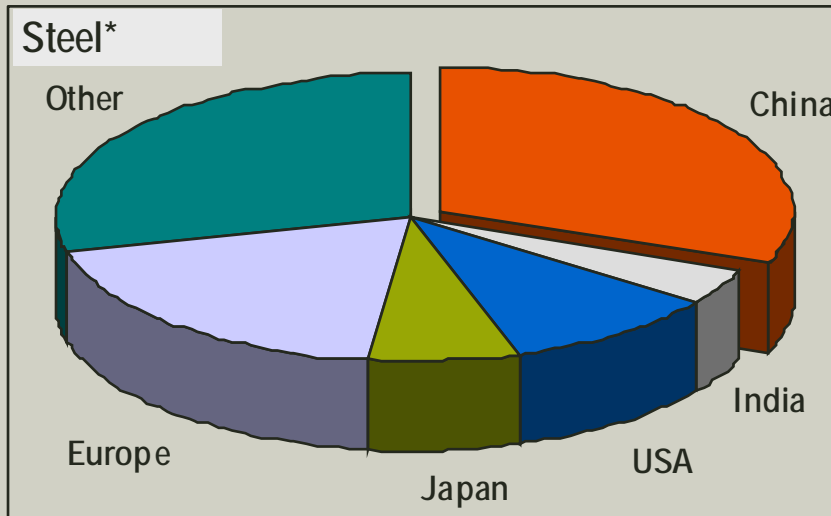
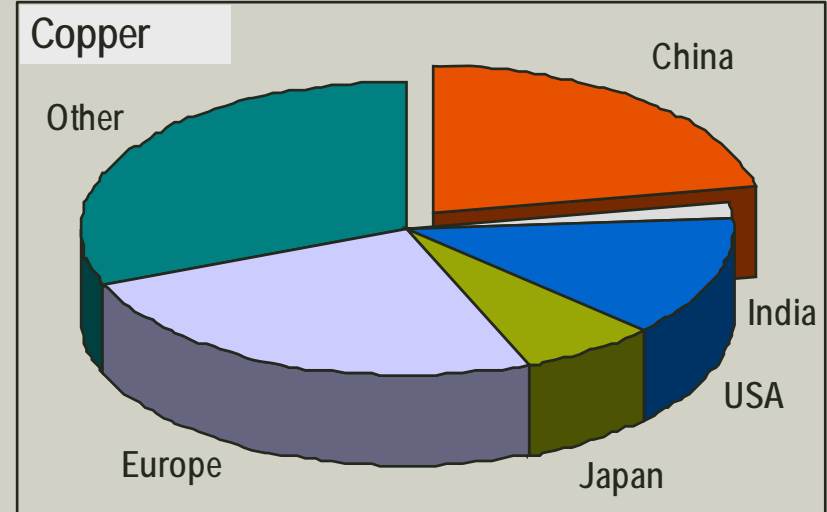
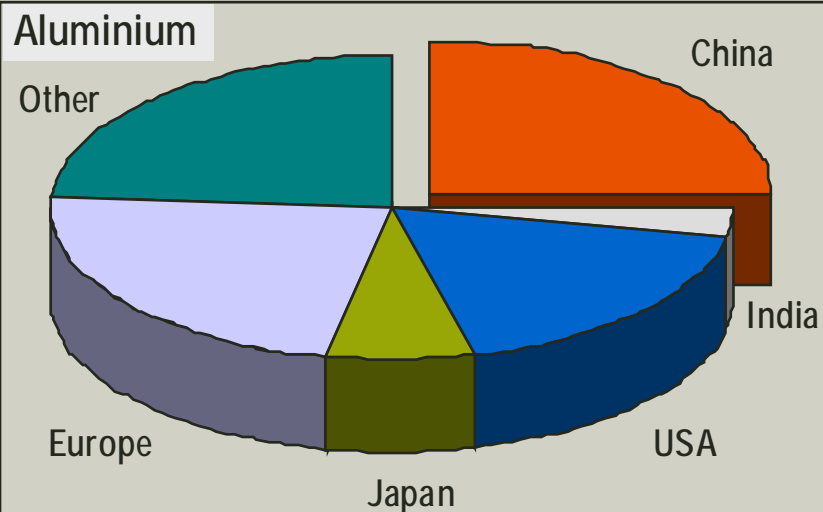


Source: Global Insight. GDP at 2006 market exchange rates

# Industry as a proportion of GDP: The global economic development path



# Global commodity consumption

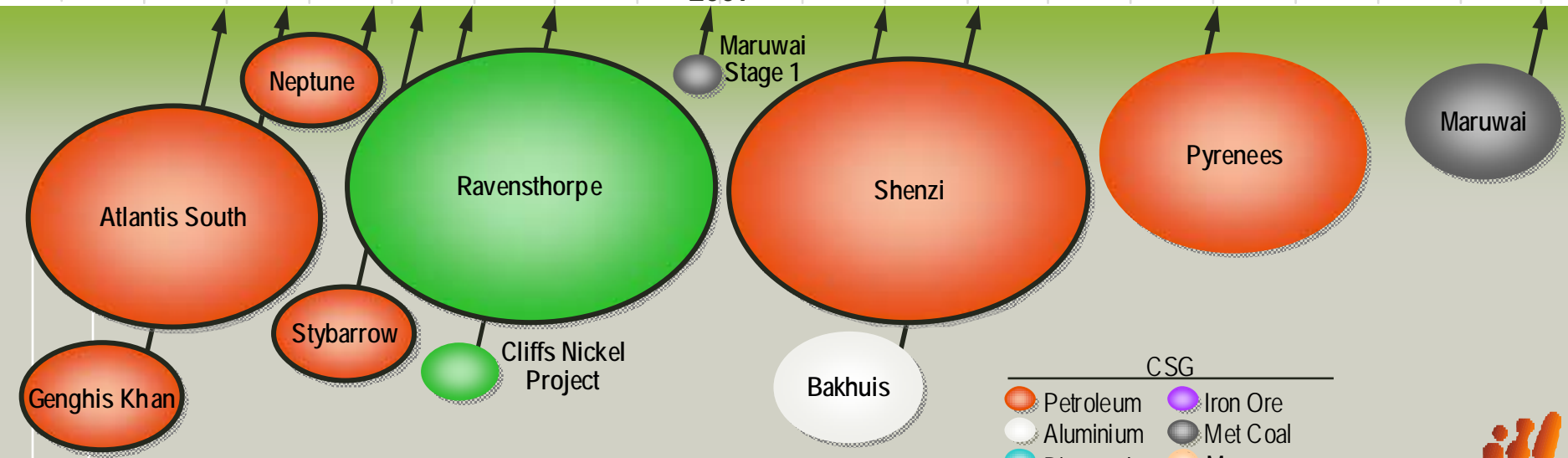
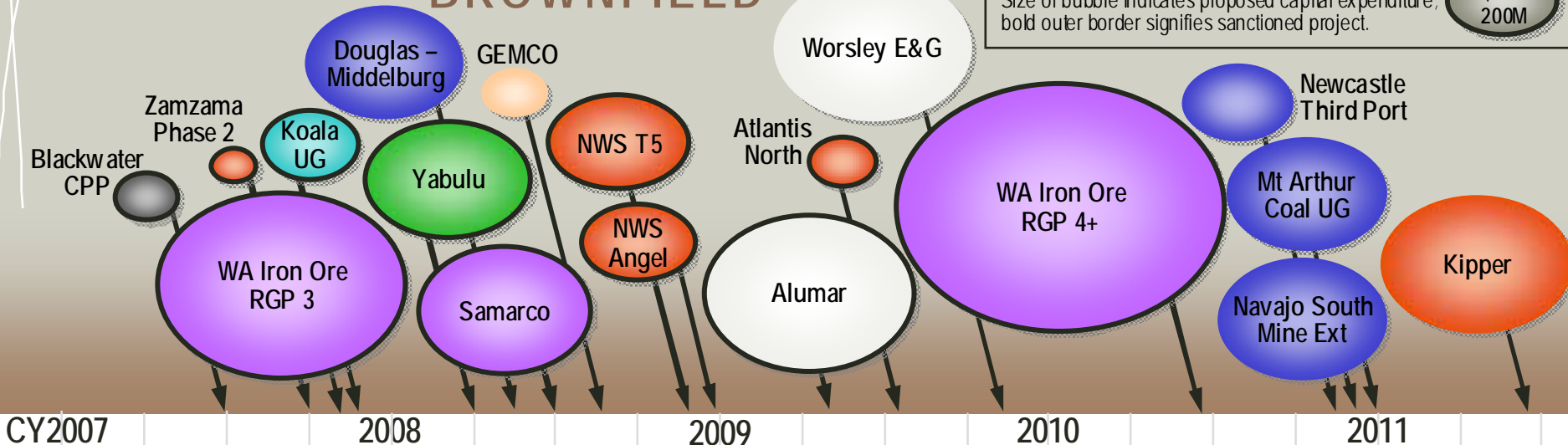


# Current growth pipeline

## BROWNFIELD

As at 31 December 2006  
 Size of bubble indicates proposed capital expenditure;  
 bold outer border signifies sanctioned project.

\$US  
 200M



- CSG
- Petroleum
  - Aluminium
  - Diamonds
  - SSM
  - Iron Ore
  - Met Coal
  - Manganese
  - Energy Coal

## GREENFIELD



# Olympic Dam – A world class resource

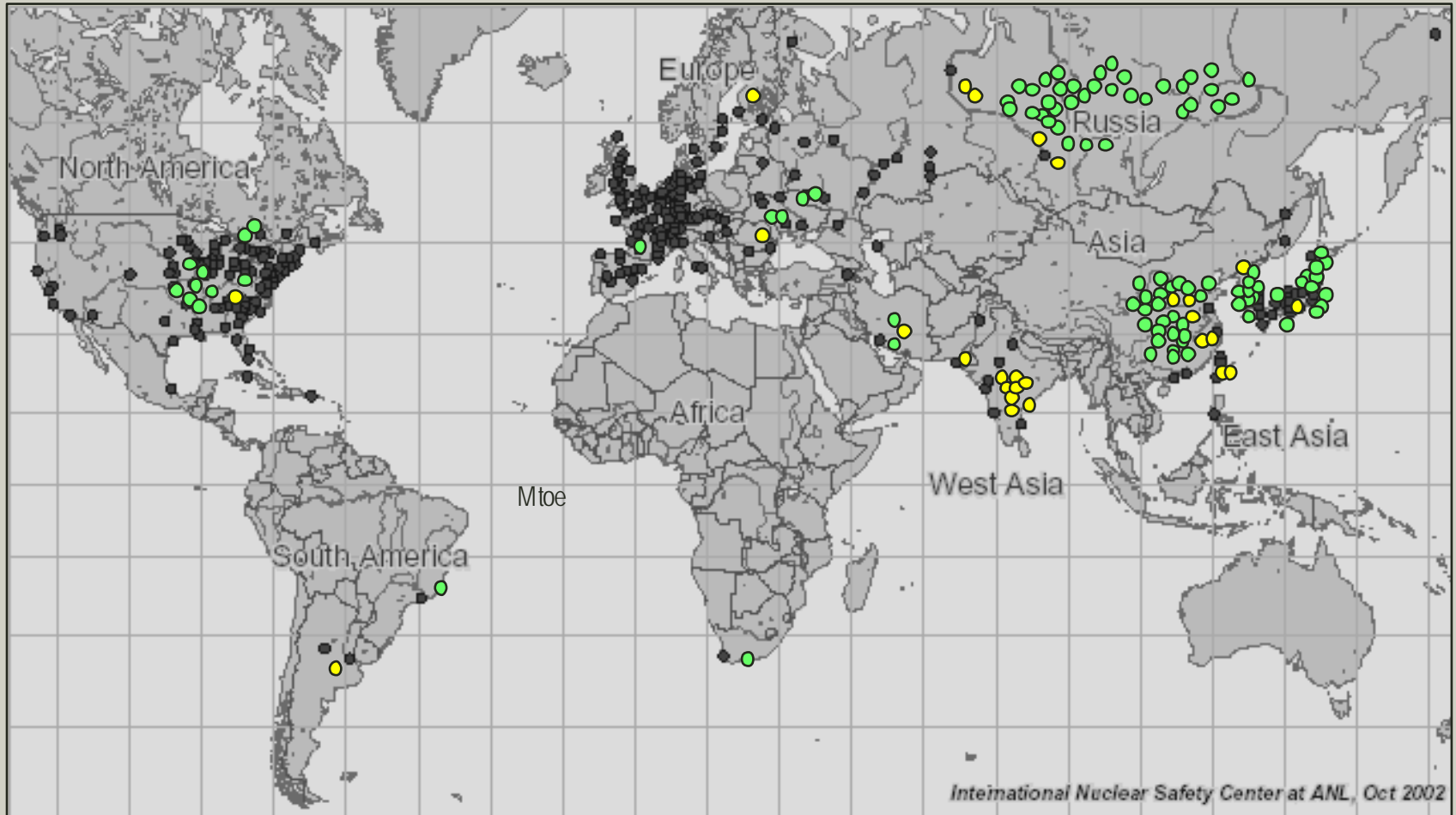
- World class mineral resource
  - Largest known Uranium mineral deposit
  - Sixth largest Copper deposit
  - Top ten gold deposit and significant silver deposit



- Pre-feasibility ongoing for up to 500,000tpa copper mine (15,000tpa uranium)
- Current resource supports a >50 year mine life at increased rate
- Operation of expanded facilities – ramp up from end 2013 to 2015

# Nuclear growth will be especially strong in Asia

● Under construction - 27   ● Planned - > 80   ● Operational - 441





# Key Actions in forthcoming Climate Change policy

1. **Enhancing understanding of emissions** from the full life-cycle of our products
2. Establishing a **5 year financial commitment to support low emissions technology development** and encourage emissions abatement by our employees and our local communities
3. **Working with governments and other stakeholders** on the design of effective, equitable and efficient climate change policies including **market based mechanisms** such as emissions trading
4. **Reducing the intensity of emissions in production** through improved energy efficiency and better management of greenhouse gas emissions



# Summary

- **Consistent execution of our strategy**
- **Increase volumes** through organic growth and acquisitions
- **Continued outstanding operating and financial results**
- **Disciplined capital management** for long-term value creation
- **Demand outlook remains positive**
- **Growth in developing economies** supports long-term fundamentals
- **Inventories low and supply constrained**
- **Project pipeline and global footprint** offers excellent investment opportunities
- **Overriding commitment to sustainable growth**



**bhpbilliton**