

Western Australia Iron Ore, Australia



# Citi Australia and New Zealand Investment Conference



**bhpbilliton**  
resourcing the future

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BHP Billiton results are reported under International Financial Reporting Standards (IFRS). References to Underlying EBIT and EBITDA exclude net finance costs and taxation for jointly controlled entities, and exceptional items. A reconciliation to statutory EBIT is contained within the profit announcement, available at our website [www.bhpbilliton.com](http://www.bhpbilliton.com).

# Agenda

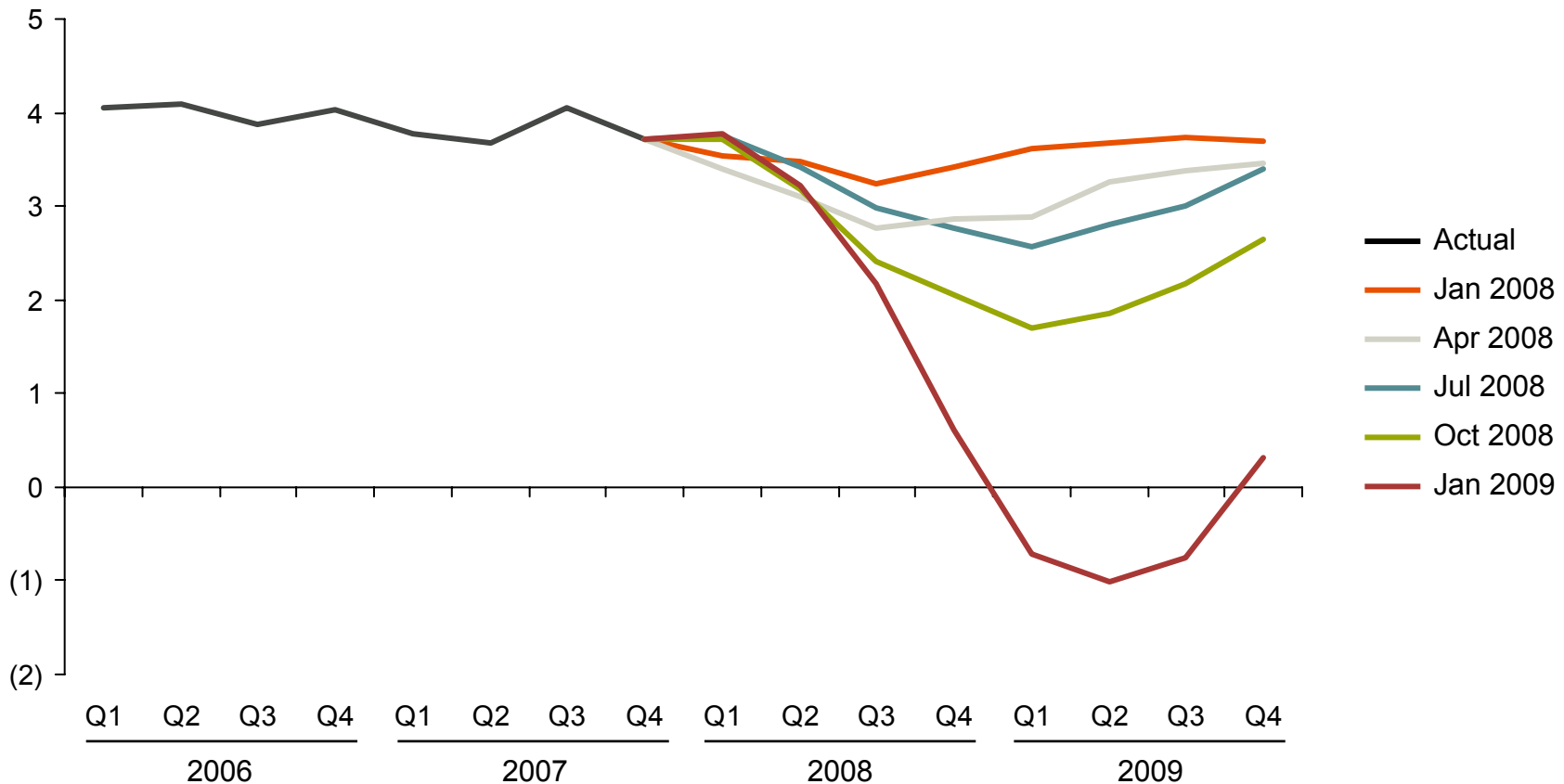
- Market Outlook
- Our Strategy and Market Positioning
- Conclusions

# Agenda

- Market Outlook
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# Growth Forecasts Continue to be Revised Downwards

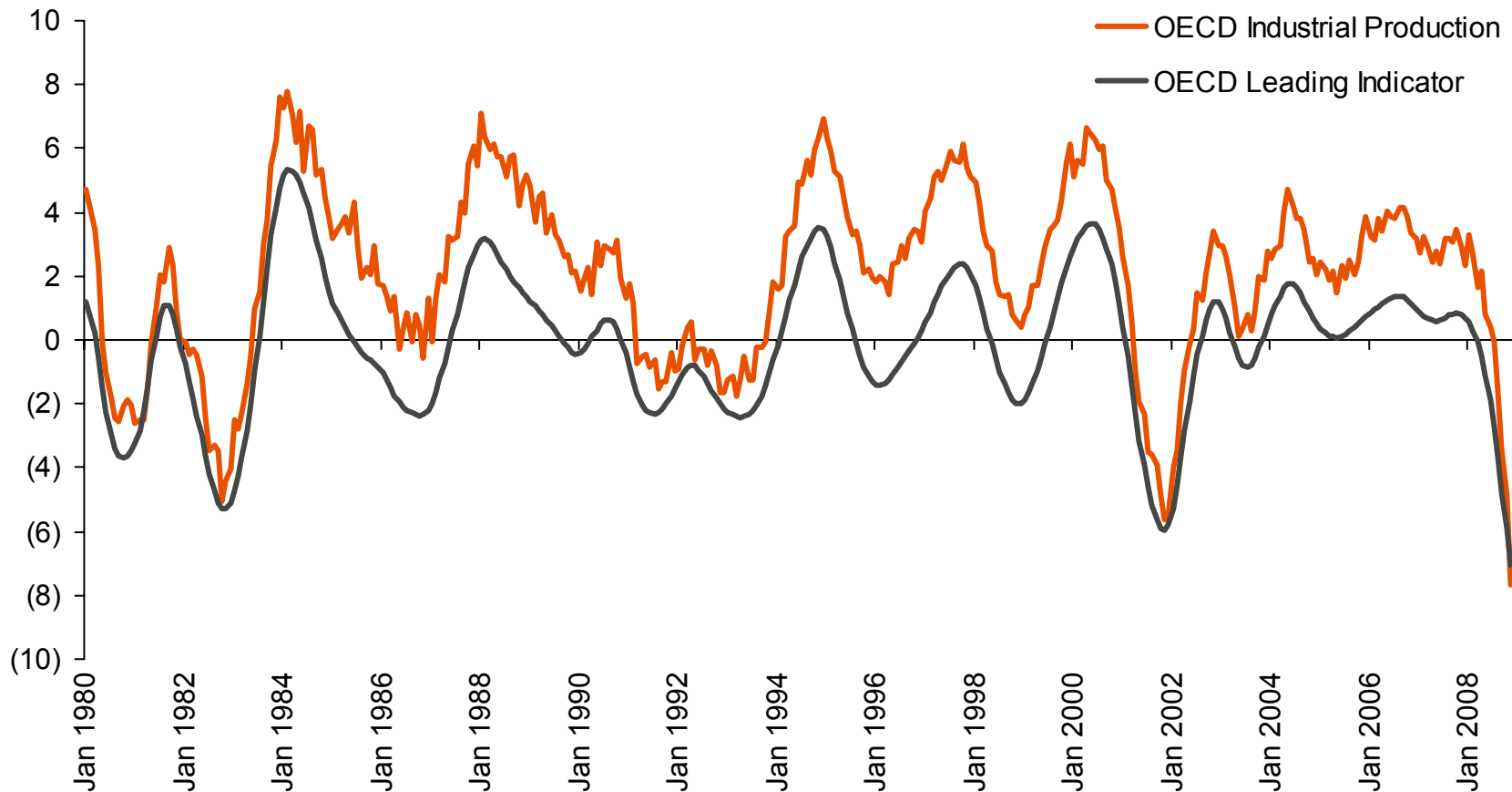
YOY Real GDP Growth  
(%)



Source: Global Insight (World)

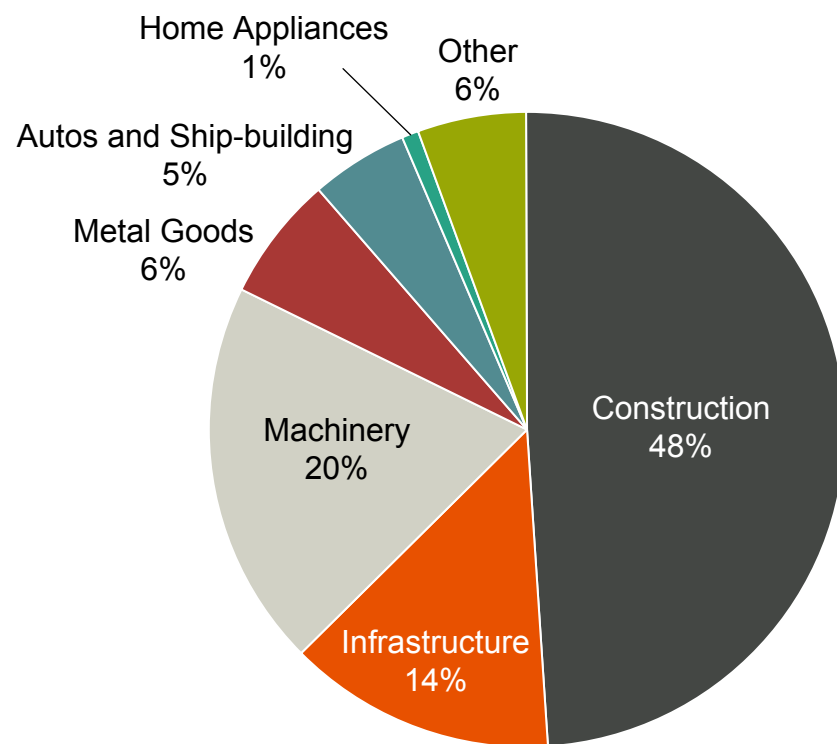
# Timing for a Recovery is Uncertain

**Industrial Production and Leading Indicators (6 Months Forward)**  
(% Change YOY)



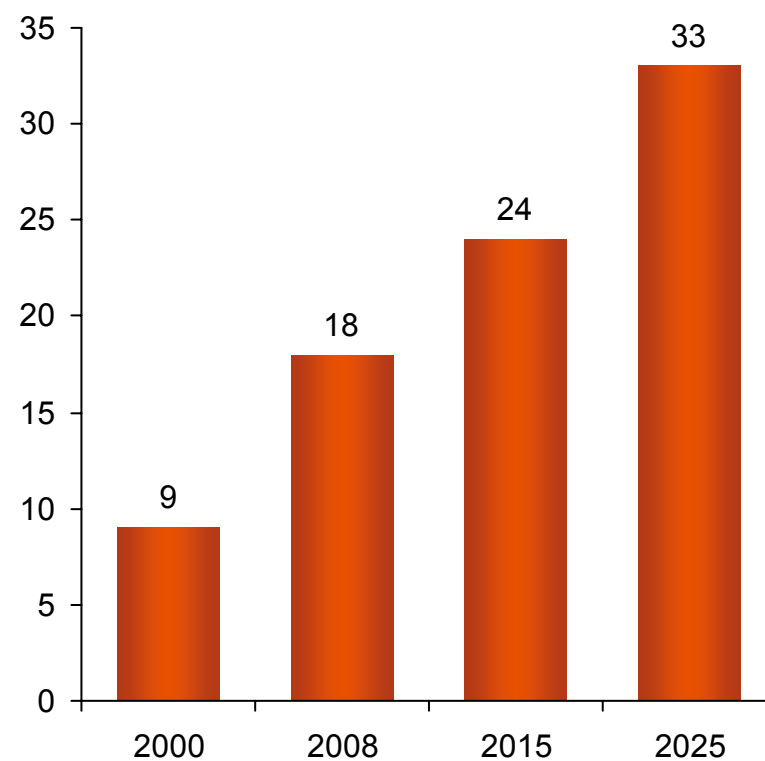
# The Outlook for China

**Steel Use by Sector  
(2008)**



Source: BHP Billiton estimates

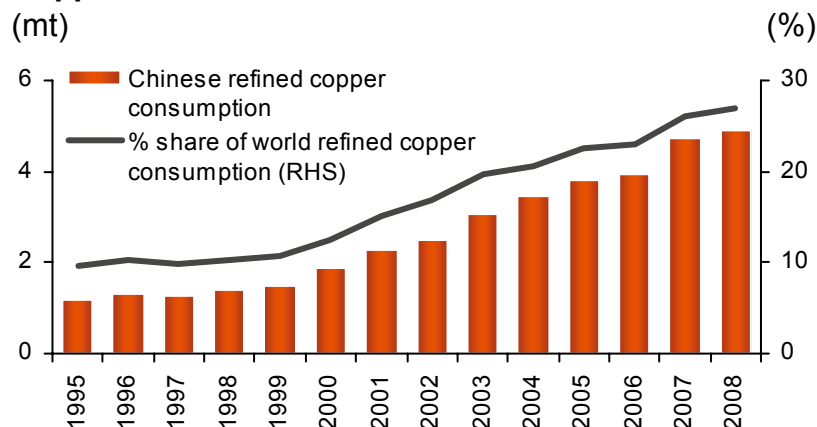
**China's Urban Residential Floor Space  
(Billions of Square Metres)**



Source: McKinsey & Co; BHP Billiton estimates

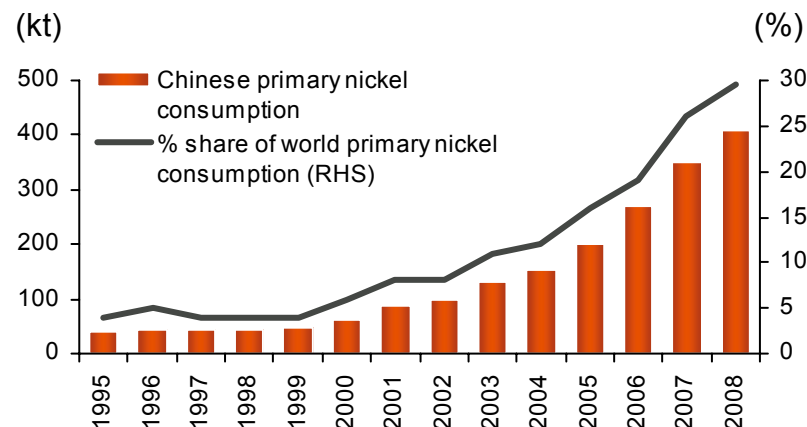
# China's Share of World Consumption

## Copper



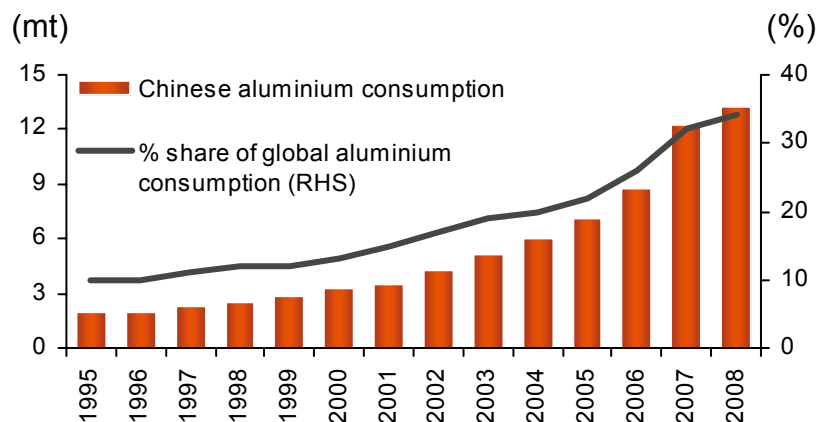
Data: CRU

## Nickel



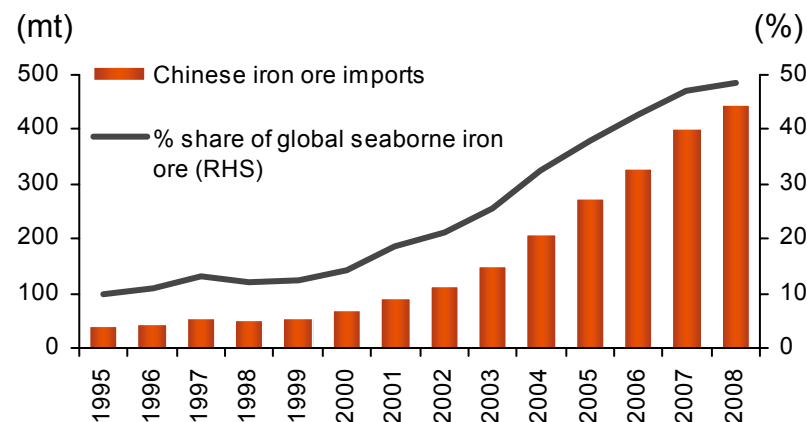
Data: CRU, Macquarie Research

## Aluminium



Data: Brook Hunt

## Iron Ore

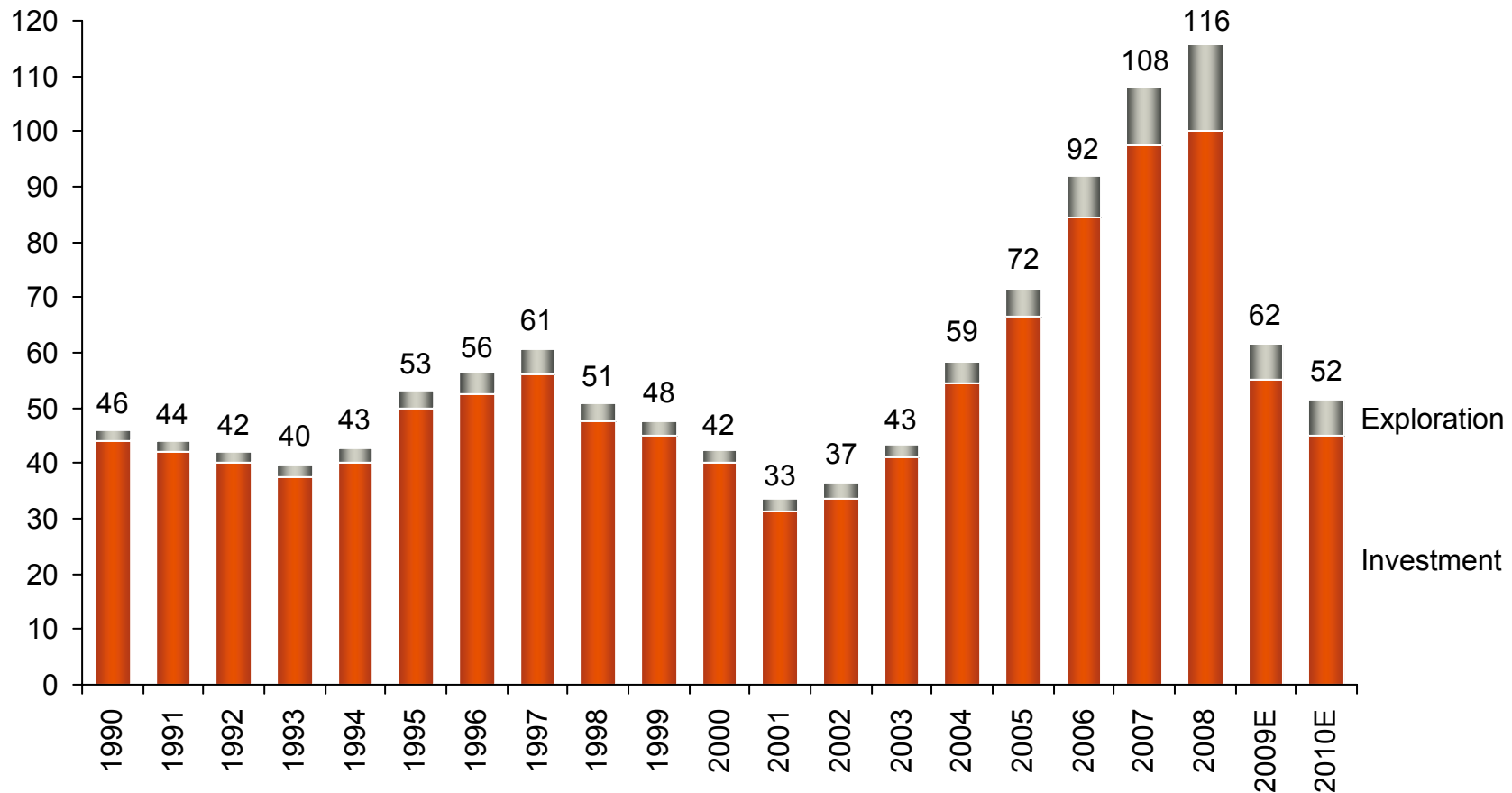


Data: IISI, CRU, Tex Report, China Customs



# Future Supply Will be Impacted

**Capital Expenditure for the Global Mining Industry**  
(US\$bn)



Source: McKinsey Mining Database; RMG

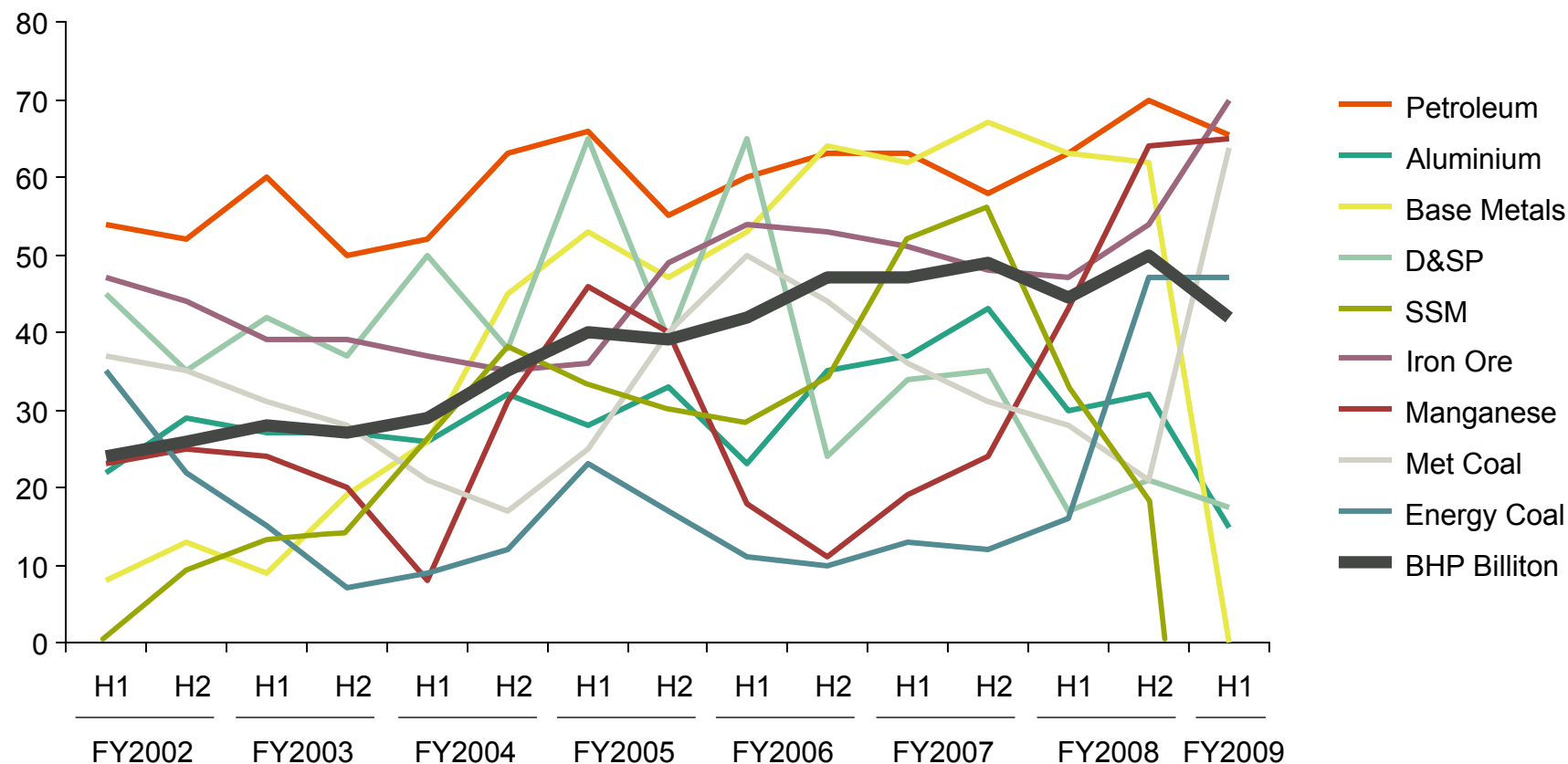
# Agenda

- Market outlook
- Our strategy and market positioning
- Conclusions

# Diversity = Stability and Strength

## EBIT Margin<sup>(a)</sup>

(%)



(a) FY 2002 to FY 2005 are calculated under UKGAAP. Subsequent periods are calculated under IFRS. All periods exclude third party trading activities.

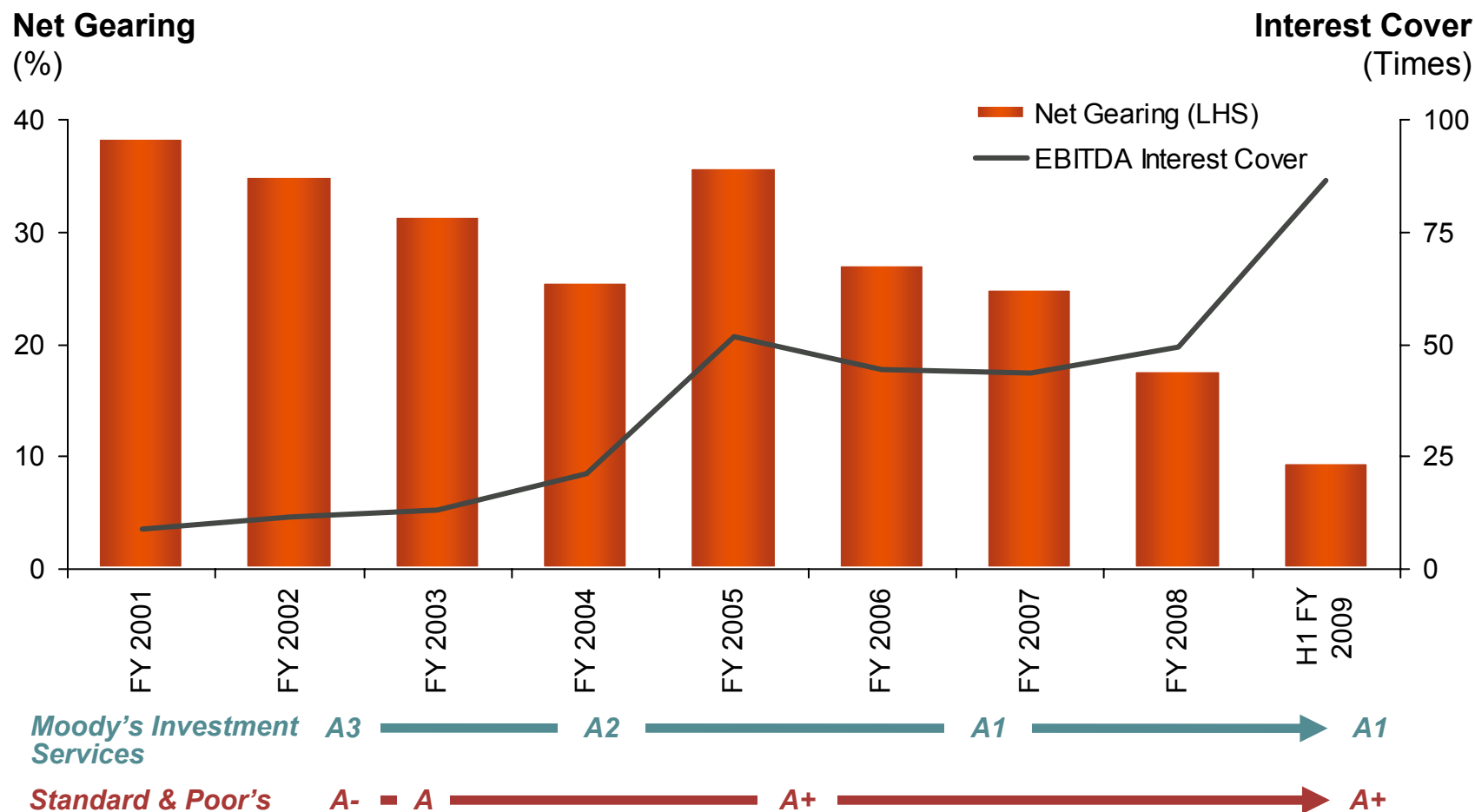
# Well Positioned but Proactive

- Indefinite suspension of Ravensthorpe nickel operation, and cessation of mixed nickel cobalt hydroxide processing at Yabulu
- Temporary suspension of two pellet plants at Samarco Iron Ore to be reviewed at the end of March 2009
- Temporary reduction in Samancor Manganese production
- Suspension of copper sulphide mining at Pinto Valley, and
- Metallurgical coal production 10 to 15 per cent below current capacity on an annualised basis



Samarco Iron Ore, Brazil

# We Are in a Unique Position



Underlying Gearing and Underlying EBITDA interest cover shown for FY2005 to H1 FY2009  
FY2005 to FY2008 have been calculated on the basis of IFRS. Prior periods have been calculated on the basis of UKGAAP

# Consistent Strategy in all Market Conditions

- Employer of Choice
- Large, low cost, long life assets
- Maintain a deep and diversified inventory of growth options
- Commitment to solid “A” credit rating



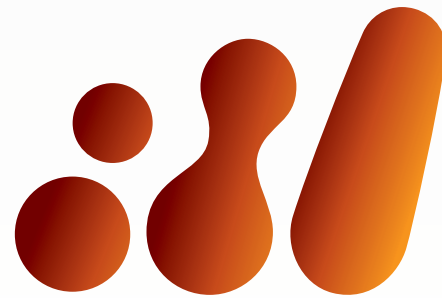
# Agenda

- Industry outlook
- Our strategy, market positioning and management philosophy
- **Conclusions**

# Conclusions

- Weak markets persist
- Timing of recovery is uncertain
- Proactive management approach to changing market conditions
- Well positioned relative to most of our sector
- Our long-term outlook on emerging markets growth is intact
- A consistent strategy in all market conditions





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