

South32 Limited

(Incorporated in Australia under the Corporations Act, 2001)

(ACN 093 732 597)

JSE Share Code: S32

ISIN: AU000000S320

(“**South32**” or “**the Company**”)

## **SOUTH32 ABRIDGED PRE-LISTING STATEMENT**

**THIS ANNOUNCEMENT DOES NOT CONSTITUTE A FULL PRE-LISTING STATEMENT AND IS NOT AN INVITATION TO THE PUBLIC TO SUBSCRIBE FOR SHARES. IT HAS BEEN PREPARED FOR THE PURPOSES OF PROVIDING INFORMATION ON THE COMPANY IN TERMS OF THE LISTINGS REQUIREMENTS OF THE JSE LIMITED (“JSE”). FOR FURTHER INFORMATION SHAREHOLDERS ARE REFERRED TO THE FULL PRE-LISTING STATEMENT DATED 16 MARCH 2015, WHICH IS AVAILABLE AS SET OUT IN PARAGRAPH 6 HEREOF. THE CAPITALISED TERMS HEREIN BEAR THE MEANINGS ASCRIBED THERETO IN THE FULL PRE-LISTING STATEMENT.**

### **1. Introduction**

The BHP Billiton Board announced its intention to separate the BHP Billiton Group into two businesses on 19 August 2014. The separation will be effected by way of a demerger. The Demerger will result in the formation of an independent listed company, South32, with a portfolio of assets producing alumina, aluminium, coal, manganese, nickel, silver, lead and zinc.

South32 has applied to the JSE for a secondary listing of all of its ordinary shares in the "Metals and Mining" sector of the main board of the JSE under FTSE Classification "general mining", the abbreviated name "South32" and the share code "S32". South32 has also applied for admission of its ordinary shares to trading on the ASX and LSE and will establish an over-the-counter ADS program in the United States. Trading in South32 Shares is expected to commence on 18 May 2015 on the JSE (on a normal settlement basis), on the ASX (on a deferred settlement basis) and on the LSE (on a when-issued basis). South32 ADSs will commence trading over-the-counter on a when-issued basis on that same date. Normal trading is expected to commence on the ASX on 2 June 2015 and LSE on 26 May 2015.

Further information on the Demerger is set out in the Shareholder Circular and further information on the listing of South32 is set out in the full pre-listing statement.

### **2. Share Capital**

Immediately following the implementation of the Demerger, the issued share capital of South32 will be equal to the aggregate number of BHP Billiton Limited Shares on issue on the Limited Record Date and BHP Billiton Plc Shares on issue on the Plc Record Date. The South32 Shares will have no par value and, immediately following implementation of the Demerger, all South32 Shares will be fully paid.

As at 7 May 2015 there were 3,211,691,105 BHP Billiton Limited ordinary shares and 2,112,071,796 BHP Billiton Plc ordinary shares on issue. BHP Billiton Limited and BHP Billiton Plc suspended the issue of shares on that date. Accordingly, at the time of implementing the Demerger, there will be 5,323,762,901 South32 Shares.

### **3. Business Overview**

Following implementation of the Demerger, South32 will be a globally diversified metals and mining company with a portfolio of assets producing alumina, aluminium, coal, manganese, nickel, silver, lead and zinc. South32 will have multiple large assets, the majority of which are competitively positioned in the first or second quartile of their respective industry cost curves. South32's operated assets will have the advantage of having historically been managed and maintained in accordance with BHP Billiton's standards and practices.

South32's portfolio will comprise of the South32 Businesses, which are:

- **Worsley Alumina:**

Worsley Alumina (86 per cent interest) is an integrated bauxite mining and alumina refining operation located in Western Australia, Australia. Bauxite ore is mined near Boddington and conveyed to the Worsley Alumina refinery, located near Bunbury. Alumina is railed from Worsley Alumina to Bunbury for export to Worsley Alumina's export customers including South32's Hillside and Mozal Aluminium smelters in southern Africa. Worsley Alumina is one of the largest and lowest-cost alumina refineries in the world, being in the first cost quartile in its industry based on CY2013 production. Worsley Alumina has a resource life of 63 years and a reserve life of 17 years;

- **South Africa Aluminium:**

South Africa Aluminium (100 per cent interest) comprises the Hillside smelter near Richards Bay, South Africa. The business previously included the Bayside smelter, which was closed in FY2014, and the Bayside casthouse. An agreement has been reached for the sale of the assets comprising the Bayside casthouse (the sale is subject to certain regulatory and other conditions, which are expected to be fulfilled during the first half of CY2015). Hillside is the largest aluminium smelter in the Southern Hemisphere and it imports alumina from the Worsley Alumina refinery. Historically, approximately 80 per cent of Hillside's aluminium production has been exported through Richards Bay Port, with the balance of Hillside's aluminium production trucked to the Bayside casthouse or to domestic customers. The Hillside smelter extends across the first and second cost quartiles based on CY2013 production;

- **Mozal Aluminium:**

Mozal Aluminium (47.1 per cent interest) is an aluminium smelter located near Maputo, Mozambique. Alumina is currently supplied to Mozal Aluminium from the Worsley Alumina refinery, which is majority owned by South32. Most of Mozal Aluminium's aluminium is currently exported to Europe through Matola, the port of Maputo. In CY2013, Mozal Aluminium had higher operating costs than the Hillside smelter (which extends across the first and second cost quartiles based on CY2013 production);

- **Brazil Aluminium:**

Brazil Aluminium comprises South32's interests in the MRN Mine (14.8 per cent interest) as well as its interest in the Alumar alumina refinery (36 per cent interest) and Alumar aluminium smelter (40 per cent interest) (together with certain interests in ancillary facilities and lands). The MRN Mine is located in the Trombetas region in the state of Pará, Brazil and Alumar is located at São Luís in the state of Maranhão, Brazil. The majority of the bauxite produced from the MRN Mine is sold to its shareholders and related parties. South32's share of bauxite produced from the MRN Mine is supplied to the Alumar refinery and most of the alumina produced from the Alumar refinery is exported via the nearby São Marcos Bay facilities. All three potlines at the Alumar smelter have been temporarily suspended and will continue to be subject to ongoing review, having regard to market conditions. Brazil Aluminium's Alumar refinery is in the second cost quartile and the Alumar smelter is in the third cost quartile based on CY2013 production. MRN Mine has a resource life of 29 years and a reserve life of six years;

- **South Africa Energy Coal:**

South Africa Energy Coal (90 per cent interest) operates four energy coal mines in the Witbank region in the Mpumalanga province of South Africa. Approximately 55 per cent of coal produced is sold domestically and the remainder is exported through the Richards Bay Coal Terminal, in which South32 has a 21 per cent interest. South Africa Energy Coal is the third largest export energy coal producer in South Africa and fifth largest supplier of energy coal domestically. South Africa Energy Coal is in the second cost quartile based on CY2013 production. Khutala, Klipspruit, Wolvekrans and Middelburg mines have resource lives of 103 (inclusive of undeveloped domains), 12, 42 and 34 years and reserve lives of six, six, 21 and 23 years respectively;

- **Illawarra Metallurgical Coal:**

Illawarra Metallurgical Coal (100 per cent interest) operates three underground metallurgical coal mines near Wollongong in New South Wales, Australia. Metallurgical coal is trucked to Port Kembla or to BlueScope Steel Limited's Port Kembla steelworks. Illawarra Metallurgical Coal is in the second quartile of the industry margin curve based on CY2013 production and its mines have

resource lives (inclusive of undeveloped domains) of 41, 15, and 43 years and reserve lives of 25, two, and nine years for each of Appin, West Cliff and Dendrobium / Cordeaux respectively;

- **Australia Manganese:**

Australia Manganese (60 per cent interest) comprises the GEMCO open-cut manganese mine and the TEMCO manganese alloy plant. GEMCO, which is located in the Northern Territory, Australia, is one of the world's lowest-cost manganese ore producers. It exports to customers approximately 90 per cent of its ore product through port facilities at Milner Bay and the balance of the ore is shipped to the TEMCO manganese alloy plant in Bell Bay, Tasmania, Australia. The majority of TEMCO's alloy production is exported to customers in Asia and North America, with the balance of TEMCO's production being sold to steel customers in Australia and New Zealand. GEMCO is in the first cost quartile based on CY2013 production. GEMCO has a resource life of 15 years and a reserve life of 11 years;

- **South Africa Manganese:**

South Africa Manganese comprises the Hotazel Mines, being the Mamatwan open-cut mine and the Wessels underground mine (44.4 per cent effective interest), and the Metalloys plant (60 per cent interest). The Hotazel Mines are located near the town of Kuruman, South Africa. Approximately 75 per cent of the ore processed at the mine results in export saleable product. The remainder of the ore is converted to alloy at the Metalloys plant, which is located near Johannesburg, South Africa. The Metalloys plant is one of the largest manganese alloy producers in the world and exports most of its product to customers in the United States, Europe and Asia. Hotazel Mines is in the third cost quartile based on CY2013 production. Hotazel Mines have resource lives of 24 and 92 years and reserve lives of 18 and 46 years for Mamatwan and Wessels respectively;

- **Cerro Matoso:**

Cerro Matoso (99.94 per cent interest) is an open-cut lateritic nickel mine and ferronickel smelter, located near Montelibano, in the Córdoba Department in northern Colombia, which produces high-purity, low-carbon ferronickel granules and is currently one of the largest nickel producers in the world. The product is transported approximately 260 km by road to Cartagena. Cerro Matoso is in the second cost quartile based on CY2013 production, has a resource life of 37 years and a reserve life of 15 years; and

- **Cannington:**

Cannington (100 per cent interest) is a silver, lead and zinc underground mine and concentrator operation located in northwest Queensland, Australia, approximately 200 km southeast of Mount Isa, and is the world's largest silver producing mine. Concentrate produced at Cannington is trucked to the Yurbi rail loading facility and then railed approximately 800 km to the Port of Townsville for export to customers mainly located in northeast Asia, Europe and Canada. Cannington is in the first cost quartile of silver production based on CY2013 production on a co-product basis, and has a resource life of 22 years and a reserve life of nine years.

#### 4. **Company Details**

South32 was incorporated and registered in Australia under the Corporations (New South Wales) Act 1990 (Cth) (the predecessor to the Corporations Act) as a proprietary company on 12 July 2000 with the name 'Brogib Pty Limited' and the ACN 093 732 597 and on 24 August 2000 changed its name to 'BHP Coal Holdings Pty Limited'. On 3 March 2015, South32 was converted into a public company and on 5 March 2015 changed its name to South32 Limited. South32 is domiciled in Australia and its current address is Level 20, Waterfront Place, 1 Eagle Street, Brisbane, QLD, 4000. South32's current principal place of business is Level 32, Brookfield Place, 125 St Georges Terrace, Perth, WA, 6000. It is proposed that following implementation of the Demerger, South32's principal business address will be Level 35, 108 St Georges Terrace, Perth, WA, 6000. The telephone number of South32's office is +61 8 9324 9000.

#### 5. **Directors**

The names, business address and positions of the directors of the Company are set out below.

<b>Name</b>	<b>Position</b>
David Crawford	Chairman and Independent Non-executive Director
Graham Kerr	Chief Executive Officer and Executive Director
Frank Cooper	Independent Non-executive Director

Peter Kukielski	Independent Non-executive Director
Ntombifuthi (Futhi) Mtoba	Independent Non-executive Director
Wayne Osborn	Independent Non-executive Director
Keith Rumble	Independent Non-executive Director
Xolani Mkhwanazi	Non-executive Director <sup>1</sup>

The current address of all South32 Directors is Level 32, Brookfield Place, 125 St Georges Terrace, Perth, WA, 6000 and it is proposed that following implementation of the Demerger, the principal business address will be Level 35, 108 St Georges Terrace, Perth, WA 6000, Australia.

On 7 April 2015, after the publication of the full pre-listing statement, the following Independent Non-executive Directors were appointed as South32 Directors with effect from 7 May 2015:

- **Frank Cooper AO (Age: 59)**

Mr Cooper has more than 35 years' experience in the accounting profession, specialising in the mining, energy and utilities sector, including most recently as a partner of PricewaterhouseCoopers. Mr Cooper has served as a Director for Woodside Petroleum Limited since February 2013. (Location: Australia).

Education/Qualifications/Professional Affiliations

Bachelor of Commerce, University of Western Australia, FCA, FAICD

Non-executive Roles

2013–Present: Director, Woodside Petroleum Limited

2015 – Present: Director, St John of God Australia Limited

2005-2006: Director, Alinta Infrastructure Limited

Other Appointments

Commissioner and Chairman, Insurance Commission of Western Australia

Member, Senate of the University of Western Australia

Chairman, University of Western Australia Strategic Resources Committee

Commissioner and Chairman, West Australian Football Commission

Trustee St John of God Health Care

Member, State Health Research Advisory Council

Professional Experience

2006-2012: Partner, PricewaterhouseCoopers

2002-2005: Partner, Ernst & Young

1991–2002 Office Managing Partner, Arthur Andersen

1987-2002: Partner, Arthur Andersen

- **Peter Kukielski (Age:58)**

Mr Kukielski was Executive-in-Residence at Warburg Pincus following a long career in the mining industry establishing an exceptionally broad commodity understanding, most recently as Chief Executive Mining at ArcelorMittal. (Location: London).

Education/Qualifications/Professional Affiliations

Master of Science (Construction Engineering and Management), Stanford University

Undergraduate Research Fellow, Massachusetts Institute of Technology

Bachelor of Science (Civil Engineering), University of Rhode Island

Professional Experience

2015-Present: Chief Executive, Anemka Resources (a Warburg Pincus portfolio company)

2014-2015: Executive-in-Residence, Warburg Pincus

2008–2013: Chief Executive Mining, ArcelorMittal

2006–2008: Executive Vice President and Chief Operating Officer, Teck Cominco Ltd

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<sup>1</sup> The appointment of Xolani Mkhwanazi as a Non-executive Director of South32 will take effect on 2 July 2015, to facilitate finalisation of the transition from his current employment with BHP Billiton.

2005–2006: Executive Vice President and Chief Operating Officer, Falconbridge Limited (now Glencore Canada Corporation)

2003–2005: Executive Vice President, Projects and Aluminium, Noranda Inc.

2001–2003: Senior Vice President, Projects, Noranda Inc.

1999–2001: Engineering and Commissioning Manager, Antamina Project, Rio Algom Ltd (now BHP Billiton PLC)

1997–1999: Deputy Project Manager, Antamina Project and Engineering, Rio Algom Ltd (now BHP Billiton PLC)

- **Ntombifuthi (Futhi) Mtoba (Age: 59)**

Dr Mtoba was Chairman of the Board at Deloitte Southern Africa, where her industry specialisation was in financial services. Dr Mtoba is a past President of Business Unity South Africa (BUSA) and a past member of the Board of United Global Compact. Dr Mtoba's numerous awards include Business Woman of the Year (Nedbank and Business Women's Association, 2004) and International Woman of the Year (Organisation of Women in International Trade, 2005). (Location: South Africa).

Education/Qualifications/Professional Affiliations

Chartered Accountant, South African Institute of Chartered Accountants (CA(SA))

Doctor of Commerce (Honoris Causa), University of Limpopo

Higher Diploma in Banking Law, Rand Afrikaans University

Baccalaureus Computationis, (Hons), UNISA

Bachelor of Arts (Economics) (Hons), UNISA

Bachelor of Arts, (Economics), University of Botswana & Swaziland

Non-executive Roles

Chair of Council, University of Pretoria

Trustee, Nelson Mandela Foundation

Trustee, National Education Collaboration Trust

Trustee, Allan Gray Orbis Foundation

Council Member, African Union Foundation

Director, NEPAD Business Foundation

Advisory Board Member, LeapFrog Investments Limited

Past appointments

President, Business Unity South Africa

National President, The Association for the Advancement of Black Accountants of Southern Africa

Director, Public Investment Corporation Limited

Director, South Africa Institute of Chartered Accountants

Director, Independent Regulatory Board for Auditors

Chair and Trustee, WDB Trust

Professional Experience

2013 - 2014: Partner, Executive Office, Deloitte

2011-2013: Executive Chair, Deloitte Africa Board

2005- 2011: Executive Chair, Deloitte Southern Africa

2004-2005: Executive Deputy Chair, Deloitte Southern Africa

1998–2014: Partner, Financial Institutions Services Team, Deloitte & Touche South Africa

1992-1998: Various roles, Deloitte & Touche South Africa

1991-1992: Manager, Jeff Van Rooyen & Co (Accountants & Auditors)

1988-1991: Various roles, Deloitte & Touche South Africa

1982-1988: Various roles, Hoek & Wiehelm - W.L. Nkuhlu & Co (Accountants & Auditors)

- **Wayne Osborn (Age: 63)**

Mr Osborn is currently a Director of Wesfarmers Limited, Iluka Resources Limited and Alinta Holdings Limited and has 35 years of experience in the Australian mining, resources and manufacturing sectors. Mr Osborn joined Alcoa in 1979 and worked in a variety of roles and locations across the Australian business, prior to being appointed Managing Director, Alcoa of Australia in 2001. (Location: Australia).

Education/Qualifications/Professional Affiliations

Master of Business Administration, Deakin University

Diploma Engineering (Electrical), Gordon Institute of Technology

Fellow of Australian Academy of Technological Sciences & Engineering

Fellow of the Explorers Club – New York

Member of the Institution of Engineers Australia  
Fellow of the Australian Institute of Company Directors

#### Non-executive Roles

2010-Present: Director, Wesfarmers Limited  
2010- Present: Director, Iluka Resources Limited  
2011-Present: Director, Alinta Holdings Limited  
2008- 2013: Director, Leighton Holdings Limited  
2008-2012: Chairman, Thiess Pty Limited

#### Professional Experience

2001-2008: Managing Director, Alcoa of Australia  
2006-2008: Vice President, Alcoa Inc.  
2000-2001: Director Asia Pacific Region, Alcoa Inc.  
1997-2000: Managing Director, Kaal Australia (JV Alcoa Inc. and Kobe Steel)  
1994-1997: Works Manager, Wagerup Alumina Refinery, Alcoa of Australia  
1993-1994: General Manager, Alcoa Rolled Products, Alcoa of Australia  
1990-1993: Manufacturing Manager, Alcoa Rolled Products, Alcoa of Australia  
1987-1990: Administration Manager, Portland Aluminium Smelter, Alcoa of Australia  
1979-1987: Various roles, Alcoa of Australia

### 6. **Copies of the Pre-Listing Statement and Abridged Pre-Listing Statement**

The full pre-listing statement and this abridged pre-listing statement are only available in English and copies thereof will remain available for inspection at no charge during normal business hours until the date of South32's United Kingdom Admission (which is expected to be 26 May 2015) at ENSafrica, 150 West Street, Johannesburg, 2196.

The full pre-listing statement and this abridged pre-listing statement will be published in electronic form and available on the BHP Billiton website at [www.bhpbilliton.com/demerger](http://www.bhpbilliton.com/demerger), subject to certain access restrictions applicable to persons resident outside Australia, South Africa and the United Kingdom. Copies of the full pre-listing statement and this abridged pre-listing statement will be available to BHP Billiton Shareholders in printed form free of charge upon request from the Shareholder Information Line.

### 7. **Forward-looking Statements**

Certain statements in this document relate to the future, including forward looking statements relating to South32's financial position and strategy. Forward looking statements can be identified by the use of terminology such as 'intend', 'aim', 'project', 'anticipate', 'estimate', 'plan', 'believe', 'expect', 'may', 'should', 'will', 'continue' or other similar words. These statements discuss future expectations concerning the results of operations or financial condition, or provide other forward looking statements.

These forward looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond BHP Billiton's or South32's control, and which may cause the actual results to differ materially from those expressed in the statements contained in this document. South32 Shareholders are cautioned not to put undue reliance on forward looking statements.

Other than as required by law, none of BHP Billiton, South32, their officers or their advisers or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this document will actually occur, in part or in whole.

Additionally, statements of the intentions of the South32 Board and/or Directors reflect the present intentions of the South32 Directors, respectively, as at the date of this document and may be subject to change as the composition of the South32 Board alters, or as circumstances require. Except as required by law, BHP Billiton and South32 disclaim any obligation or undertaking to update or revise any forward looking statement in this document.

11 May 2015

JSE sponsor: UBS South Africa (Pty) Limited