BHP Billiton Iron Ore is an outstanding business with tremendous growth opportunities

Analyst Site Visit 28-30 October 2007
Perth – Newman – Port Hedland
Important Notices

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Competent Persons

• The information in this presentation that relates to Ore Reserves and Mineral Resources is as at 30 June 2007 and is based on information prepared by the relevant Competent Persons. The Competent Persons agree with the form and context of the Mineral Resources and Ore Reserves presented. The complete tables of Ore Reserves and Mineral Resources as at 30 June 2007 (including the relevant Competent Persons) for Iron Ore are presented in the BHP Billiton Annual Report 2007 on pages 68 and 71, which can be viewed at: http://bhpbilliton.com

• Heath Arvidson (WAIO) and Mark Pudovskis (Nimba), who are members of the AusIMM, are full time employees of BHP Billiton and have the required qualifications and experience, are Competent Persons for the probabilistic assessment of Potential Mineralisation, which is reported under Section 18 of the JORC code. Heath Arvidson and Mark Pudovskis verify that this report is based on and fairly reflects the information in the supporting documentation relating to Potential Mineralisation.
An outstanding business with tremendous growth opportunities

Ian Ashby
President Iron Ore
Hear from some of the key members of our active, experienced leadership team

**Future focus: our growth plans, strategies and priorities**

- **Day 1**
  - Ian Ashby
    - President Iron Ore

- **Day 2**
  - Phil Montgomery
    - VP Expansion Projects
  - Stewart Hart
    - CFO
  - Murray Smith
    - VP Human Resources
  - Tim Crossley
    - President & COO
    - WA Iron Ore

- **Day 3**
  - Carl Binning
    - VP Sustainability
  - John Slaven
    - Chief Development Officer
  - Peter Toth
    - Marketing Director CSM
  - James Shaw
    - VP Technical Services & Resource Development
  - Mick Evans
    - VP Port & Rail
  - Phil Montgomery
    - VP Expansion Projects
  - Dean White
    - Resident Manager
    - Whaleback
  - Rag Udd
    - Manager Contract Mines
  - Mt Whaleback Site Visit
  - Area C Site Visit
  - Finucane Island Site Visit
  - Peter Toth
    - Marketing Director CSM

BHP Billiton Iron Ore Analyst Site Visit
Page 5  28-30 October 2007
Key global trade flows
Continuing demand for high grade seaborne ore

Seaborne iron ore was only 50% of the China market in CY2006 (Fe equivalent Mt)

Note: CY2006, Arrows only indicative, not exhaustive; Distances approximate, multiple systems may feed same market, rounded to the nearest 5; Source: UNCTAD Commodities Branch September 2007 – Iron Ore Statistics
Focusing on growth markets: WAIO sales destinations

From FY2002...

... to FY2007
BHP Billiton Iron Ore Production FY2007

BHP Billiton Iron Ore
Total Ore Shipped 114.8 Mt

WA Iron Ore
Total Ore Shipped 106.7 Mt

Yandi JV
41.1 Mt
85% BHP Billiton, 8% Itochu, 7% Mitsui

Yandi Lump
4.1 Mt

Yandi Fines
37.0 Mt

Mt Newman JV
41.5 Mt
85% BHP Billiton, 10% Mitsui-Itochu, 5% Itochu

NJV Lump
15.4 Mt

NJV Fines
26.1 Mt

Goldsworthy JV
24.1 Mt
85% BHP Billiton, 8% Itochu, 7% Mitsui

MAC™ Lump
7.1 Mt

MAC™ Fines
15.8 Mt

Samarco
Total Ore Shipped 8.1 Mt*

Samarco
8.1 Mt
50% BHP Billiton, 50% CVRD

Samarco Pellets
7.3 Mt

Samarco Fines
0.8 Mt

BHP Billiton Marketing

* Note: WA Iron Ore shipments on a 100% basis.
Samarco on a 50% basis.
Excellent business, strong performance, exciting future

*Increase sales to secure share of growth market*

- We have the resources to underpin our expansion plans and global investment
- Delivering growth projects
  - Continued outstanding results
    - Improving safety performance
    - Optimising the supply chain
  - Focussing on leadership and culture

*We understand the opportunities, and the challenges.*
*We have the capabilities and assets to continue to outperform*
Securing the maximum sustainable benefit from market opportunities and growth options

- Strong iron ore demand forecast
- Resources underpinning expansion plans
- Securing the ‘next generation’ of resources
- Mt Nimba Concept Study
- Significant volume growth expected in FY2008
- Excellent project delivery track record
- Commissioning RGP3, developing RGP4
- **Accelerated growth programme to achieve 300 Mtpa installed capacity by 2015**
Maximising the productivity of our existing assets; safely and in line with environmental responsibilities

- Outstanding financial results
- Actively controlling costs
- Delivering on targeted production volumes
- Business improvement initiatives
- Optimising the ‘whole system’ with integrated planning
- Asset reliability
- Use of proprietary technologies
Maximising the output from our existing assets; safely and in line with environmental responsibilities

- Established license to operate
- Focus on collaborating with key stakeholders
- Engaging Indigenous contractors
- Investing in housing and communities
- ‘Closing the gap’ identified by workforce planning
- Majority of workforce on individual contracts
We will increase sales to secure share of the growing market

Peter Toth, Marketing Director Carbon Steel Materials
Global steel production is at the outset of a new period of accelerated growth.

*Global Steel Production (Mt)*

- **Great Depression & World Wars**: CAGR = 3.1%pa
- **Post-WWII reconstruction**: CAGR = 6.9%pa
- **Oil shocks & Fall of Berlin Wall**: CAGR = 1.0%
- **BRICS: urbanisation & industrialisation**: CAGR = 7.0%

*Source: IISI, BHP Billiton*
The magnitude and speed of China’s development is huge. China is likely to develop 20 large economic zones…

…involving 358 cities, of which 11 cities have 15 million people, 18 cities have 10 million people.

### Drivers of steel consumption

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cities &gt; 1.5m</td>
<td>45</td>
<td>147</td>
</tr>
<tr>
<td>Expressways</td>
<td>45,000 km</td>
<td>&gt;140,000 km</td>
</tr>
<tr>
<td>Railways</td>
<td>75,500 km</td>
<td>92,500 km</td>
</tr>
<tr>
<td>Subways</td>
<td>602 km</td>
<td>&gt;2,300 km</td>
</tr>
<tr>
<td>Airports</td>
<td>486</td>
<td>40 new; 121 expansions</td>
</tr>
<tr>
<td>Ports capacity</td>
<td>3 bn</td>
<td>&gt;5 bn tonnes capacity</td>
</tr>
<tr>
<td>Oil pipelines</td>
<td>15,256 km</td>
<td>23,250 km</td>
</tr>
<tr>
<td>Gas pipelines</td>
<td>22,664 km</td>
<td>57,650 km</td>
</tr>
<tr>
<td>Power</td>
<td>~500 GW</td>
<td>&gt; 900 GW</td>
</tr>
</tbody>
</table>

Source: NDRC
Second phase of infrastructure development only just beginning… Beijing – subway plans

Beijing 2008

Beijing 2050

Tokyo

Paris
China’s steel intensity on a path towards other Asian country levels

Per capita steel consumption, kg

Source: BHP Billiton, World Bank, OECD (GDP at Purchasing Power Parity), ISI
BHP Billiton Iron Ore Analyst Site Visit
Page 17  28-30 October 2007
Significant expansions of iron ore supply from traditional ore basins have been required to satisfy China’s development.
Chinese imports of iron ore are expected to remain strong.
Chinese iron ore demand currently relies on high cost supplies.

**Graph:**
- **2002**
  - 190mt Steel
  - 270mt Iron Ore
  - **Cost**
    - Domestic Captive
    - Import LTC
    - Brazil CFR
    - Other CFR
  - **US$/t fines**
    - $150 CFR
    - $120 CFR
    - $105 CFR
    - $75 CFR
    - $50 FOB
- **2007e**
  - 500mt Steel
  - 750mt Iron Ore
  - **Mt Iron Ore**
    - 63.5% equiv.

**Note:** JFY basis.

The spot market is a strong indicator of the real supply and demand balance.

Source: BHP Billiton China Marketing Team, [www.steelhome.cn](http://www.steelhome.cn), CISA
Liquidity

Time

Benchmark pricing

OTC Forward Delivery

OTC Financial Swap

Prices set by negotiation

Financial swaps enable ‘price risk’ to be managed separately from ‘supply risk’

Counter-parties trade directly with each other. globalCOAL NEWC starts trading

Evolution of a bulk commodity index: *the energy coal story*

Source: FSA
A deep portfolio of resources and growth options underpins our announced expansion plans and future Brownfield and Greenfield capacity growth.
We have a wealth of high grade, low cost potential close to existing infrastructure in the Pilbara

Our existing tenements can sustain our growth programme for decades!
Further scope to expand Samarco operations…

*Fully integrated production process*

- Amongst the world’s lowest cost seaborne pellet producers
- Leader in concentrating lower grade Iron Ore
- Sales – 100% seaborne market, balanced geographical distribution of customers
- 31% own power generation

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**Samarco 3 scheduled for completion in 2008**

- 1977 – Start-up capacity 5Mt pa
- 1997 – 2nd Pellet Plant expansion to 12Mt pa
- 1998 to 2006 – progressive ramp up to 14Mt pa
- 2008 – 3rd Pellet Plant expansion to 22Mt pa

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**Production Capacity**

- **1977**
- **1997**
- **2008 F**
Deep inventory of growth projects

**Brownfields**
- RGP 3
- Samarco 3
- RGP 4
- RGP 5
- Samarco 4

**Greenfields**
- Quantum 1
- Nimba
- Quantum 2
- Africa Exploration

Bubble sizes are indicative only. They do not denote capacity.


US <$2Bn
US $2Bn+
The next generation of iron ore deposits are likely smaller, lower grade & quality and in more challenging environments.
We are active in the most prospective parts of the world…

... *progressing several high potential opportunities*
Mount Nimba Concept Study is being completed

**Intensive drilling program underway**

- Guinea, West Africa
- Mining concession owned by SMFG:
  - BHP Billiton (41.3%)
- Drilling to date has identified high grade and very high quality mineralisation (low $\text{Al}_2\text{O}_3$ and P) – desirable product for both European and Asian markets
- Key challenges
  - Environmental
  - Infrastructure
- Concept Study scheduled for completion in December 2007
- Development alternatives with 20-40Mt/ta production starting as early as 2013 are being studied
Capacity growth will occur through a full range of activities.

Business Development activities are focused on creating options for the future by securing additional low cost, high quality resources.

Note: schematic only
We are committed, and will continue to deliver on our planned expansions

Phil Montgomery, Vice President Expansion Projects

Image: View over current expansion activities at Finucane Island (2007)
We have consistently increased production and continue to develop new mines.

*RGP 4 will see production doubled since 2003*

Production History (Mt)
All projects have been delivered successfully ...

<table>
<thead>
<tr>
<th>Approved</th>
<th>Project</th>
<th>Announced Investment US$M</th>
<th>Actual / Latest Forecast*</th>
<th>Schedule</th>
<th>Tonnes (Mt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>Area C &amp; PACE</td>
<td>564</td>
<td>Under budget</td>
<td>2 months early</td>
<td>15</td>
</tr>
<tr>
<td>2003</td>
<td>Accel. Expansion</td>
<td>50</td>
<td>Under budget</td>
<td>On time</td>
<td>7</td>
</tr>
<tr>
<td>2004</td>
<td>RGP1</td>
<td>111</td>
<td>On budget</td>
<td>On time</td>
<td>10</td>
</tr>
<tr>
<td>2004</td>
<td>RGP2</td>
<td>575</td>
<td>Under budget</td>
<td>1 month early / On time</td>
<td>8</td>
</tr>
<tr>
<td>2005</td>
<td>RGP3</td>
<td>1,529</td>
<td>Under budget</td>
<td>On time</td>
<td>20</td>
</tr>
<tr>
<td>2007</td>
<td>RGP4</td>
<td>2,100</td>
<td>On budget</td>
<td>On time</td>
<td>26</td>
</tr>
</tbody>
</table>

**TOTAL** 4,929 86(1)

* Measured against A$ budget

(1) Excludes suspension of Goldsworthy Northern Area production (8Mtpa) as part of RGP3
All projects meet or exceed design capability.
### RGP 3 and 4 are tracking to plan

#### RGP 3 final commissioning
- 20Mtpa incremental MAC™ product
- Load commissioning commenced Sept 2007 at Area C
- Ramp up to 42Mtpa to start Dec 2007
- 1st ship from new ‘C’ Berth anticipated late 2007
- Under budget (A$’s)

#### RGP 4 early execution
- 26Mtpa incremental tonnage - predominantly Newman JV
- Major re-build of Car Dumper No 2 completed per plan in October
- Engineering, procurement all as per plan
- Forecast cost in line with budget
- Earlier completion being aggressively pursued
Impact of escalation and exchange rate movements: Iron Ore projects in Western Australia FY2002 – FY2007

**Capital costs have increased threefold**

- **Escalation & Exchange Rate USD**
  - Q2 FY02: US$100
  - Q4 FY07: US$303
  - Increase: 203%

- **Exchange Rate USD per AUD**
  - Q2 FY02: 85%
  - Q4 FY07: 64%

*Source: BHP Billiton*
We will deliver an aggressive expansion programme to achieve installed capacity of 300 Mtpa by 2015 (100% share)

*Anticipated investment of more than US$15 billion in addition to RGP4*

- **Existing Production (108 Mtpa)**
- **Approved Capacity Expansion (RGP3 & 4)**
- **Growth Pipeline (RGP5 and beyond)**
- **Mine and infrastructure optimisation**

*300 Mt*
• Maximising utilisation of high capital value equipment delivers volume, opex and environmental benefits

• Further expansions of the Port Hedland inner harbour capacity

• New, outer-harbour shiploading facilities at Port Hedland

• Double-tracked rail system to cater for incremental tonnages

• Long life, low cost mining hubs, with a competitive product offering

Long term business value remains the key focus amongst the short term opportunities

Strong demand outlook for key Asian growth markets

300 Mtpa (installed capacity)

Further expansions of inner harbour & new outer harbour facilities

Double tracked rail system

Long life, low cost mining hubs
Towards achievement of our WA growth program

**Challenges**

- Achieving approval milestones
  - Environment
  - Heritage
  - State Agreement and tenure
  - Native Title
- Maintaining integrity while compressing timelines
- Managing environmental and community impact
- Resourcing – significant additional workforce requirements
Strategic Advantages: We have the capability to deliver our expansion programme

- Proven track record
- Strong project delivery group in place for over five years
- Strong relationships with key contractors
- Increasing international focus to delivering projects
- Rolling series of projects allows retention of the right people
- Substantial repetition in project scope allows increased efficiency
- Established license to operate assists us to deliver growth quickly and efficiently
Our financial position is strong and we will continue to generate outstanding results and cash flows.

Stewart Hart, Chief Financial Officer
Iron Ore financial highlights

Record EBIT result 9% higher, and WAIO costs escalation slowed to only 3\(^{(1)}\) in second half of FY 2007

Reflects strong operating performance with record iron ore production and sales, successful start-up of RGP2 and strong cost control evident throughout the year

<table>
<thead>
<tr>
<th>Year ended June (US$ Millions)</th>
<th>2007</th>
<th>2006</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (with JV share of revenue)</td>
<td>5,524</td>
<td>4,782</td>
<td>16</td>
</tr>
<tr>
<td>EBIT – Profit from operations</td>
<td>2,683</td>
<td>2,464</td>
<td>9</td>
</tr>
<tr>
<td>Net operating cash flow</td>
<td>2,962</td>
<td>2,376</td>
<td>25</td>
</tr>
<tr>
<td>Capital Employed</td>
<td>3,450</td>
<td>2,331</td>
<td>48</td>
</tr>
<tr>
<td>Return on Capital (%)</td>
<td>79.4</td>
<td>109.2</td>
<td>-27</td>
</tr>
</tbody>
</table>

\(^{(1)}\) 3% US$/tn Sold – Unit Cash Cost Escalation Excluding Freight
## WA Iron Ore financial highlights

<table>
<thead>
<tr>
<th>Year ended June (US$ Millions)</th>
<th>2007</th>
<th>2006</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (with JV share of revenue)</td>
<td>4,906</td>
<td>4,187</td>
<td>17</td>
</tr>
<tr>
<td>EBIT – Profit from operations</td>
<td>2,446</td>
<td>2,204</td>
<td>11</td>
</tr>
<tr>
<td>Net operating cash flow</td>
<td>2,711</td>
<td>2,261</td>
<td>30</td>
</tr>
<tr>
<td>Capital Employed</td>
<td>3,015</td>
<td>2,188</td>
<td>38</td>
</tr>
<tr>
<td>Return on Capital (%)</td>
<td>81.1</td>
<td>100.7</td>
<td>-19</td>
</tr>
</tbody>
</table>
## Samarco financial highlights

<table>
<thead>
<tr>
<th>Year ended June (US$M)</th>
<th>2007</th>
<th>2006</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pellet Sales Volumes (Mt)</td>
<td>7.0</td>
<td>6.8</td>
<td>4</td>
</tr>
<tr>
<td>JV share of revenue</td>
<td>599</td>
<td>593</td>
<td>1</td>
</tr>
<tr>
<td>Underlying EBIT</td>
<td>289</td>
<td>349</td>
<td>-17</td>
</tr>
<tr>
<td>Dividends</td>
<td>300</td>
<td>195</td>
<td>54</td>
</tr>
<tr>
<td>Capital Employed</td>
<td>623</td>
<td>273</td>
<td>128</td>
</tr>
<tr>
<td>Return on Capital (%)</td>
<td>46.5</td>
<td>127.8</td>
<td>-64</td>
</tr>
</tbody>
</table>

Note: EBIT / EBITDA excludes Brazil Business Development Expenditure
WA Iron Ore EBIT performance year on year

- Higher prices
- Record production and
- Business improvement initiatives

*Offsetting increases in*
  - Contractor rates
  - Seaborne freight,
  - Price related costs (Royalties) and
  - Weaker USD

**WAIO EBIT**

<table>
<thead>
<tr>
<th>FY</th>
<th>WAIO EBIT (US$ Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2003</td>
<td>500</td>
</tr>
<tr>
<td>FY 2004</td>
<td>1,000</td>
</tr>
<tr>
<td>FY 2005</td>
<td>1,500</td>
</tr>
<tr>
<td>FY 2006</td>
<td>2,000</td>
</tr>
<tr>
<td>FY 2007</td>
<td>2,500</td>
</tr>
</tbody>
</table>

**WAIO EBIT / Tonne**

<table>
<thead>
<tr>
<th>FY</th>
<th>WAIO EBIT / Tonne (US$ Tonne)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2003</td>
<td>5.00</td>
</tr>
<tr>
<td>FY 2004</td>
<td>10.00</td>
</tr>
<tr>
<td>FY 2005</td>
<td>15.00</td>
</tr>
<tr>
<td>FY 2006</td>
<td>20.00</td>
</tr>
<tr>
<td>FY 2007</td>
<td>25.00</td>
</tr>
</tbody>
</table>
WA Iron Ore
Return on capital employed

Keeping the momentum ... Investing to meet demand

Building & Commissioning RGP1, MAC & PACE
Building & Commissioning RGP2, Building RGP3 & RGP4

Return on capital employed


CE EBIT ROC EBIT Margin

0% 20% 40% 60% 80% 100% 120%

US$ million 0 500 1,000 1,500 2,000 2,500 3,000 3,500
WA Iron Ore
Outstanding cash flows in excess of growth

Cash flow from operations reflects our financial strength
WA Iron Ore
Focusing on what we can influence

Movement in US$/tn Operating Costs before depreciation

We have achieved an underlying improvement in Unit Operating Cost despite the impact of:
- Contractor Rate Increases
- Labour Rates
- Consumables Prices

Market Forces

Diesel
US$/tn Movement

Freight
US$/tn Movement

Demurrage
US$/tn Movement
WA Iron Ore
Managing costs in a period of high demand

**Unit Cost Performance – Relative A$/t Movement**

**What's next?**

- Aggressively pursue pipeline of improvement initiatives
- Efficiency - hold fixed costs
- Maximise infrastructure
- Optimise the use of contractors

**Contract Rate Increases**

CPI & Labour rate growth significantly outpace contract rate increases for 10 years

Catch up in 2006 and 2007 combined with contractor availability. Lower increases expected in 2008
WA Iron Ore
Managing the cost of sustaining goods and services

Indicative Breakdown of Operating Costs

Initiatives
• Contract rationalisation
• Strategic sourcing strategies
• Contract term optimisation
• Benchmarked cost management
• Peer-reviewed negotiations
• Personal incentives aligned to savings targets

Benefits
• Stronger negotiating positions
• Security of supply
• Labour & skill retention
• Predictable rate changes
• Clear cost minimisation targets
• Market leverage
• Joint improvement initiatives
• Benefit sharing

Indicative Contract Mining Cost Breakdown
**WA Iron Ore**

**Freight movement and CFR sales**

*Increasing CFR sales, with rising cost of freight absorbed in freight revenue*

<table>
<thead>
<tr>
<th>FY</th>
<th>US$ Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>1,000</td>
</tr>
<tr>
<td>2003</td>
<td>1,500</td>
</tr>
<tr>
<td>2004</td>
<td>2,000</td>
</tr>
<tr>
<td>2005</td>
<td>2,500</td>
</tr>
<tr>
<td>2006</td>
<td>3,000</td>
</tr>
<tr>
<td>2007</td>
<td>3,500</td>
</tr>
</tbody>
</table>

**Legend:**
- **IO Revenue**
- **Freight Revenue**
- **CFR Sales % of Total Sales**
Business Improvement generating sustainable benefits

- Investment $89M
- Operational $34M
- Business Excellence $37M

= $86M

Significant increase in the number of business improvement initiatives:
- 51 Projects in FY06
- 153 Projects in FY07

(1) Excluding non-cash costs (mostly depreciation on growth capital)
Maximising safety, productivity and value from our integrated business system (mine, rail and port)

Tim Crossley, President & COO, WA Iron Ore
World class infrastructure and capabilities

- 3rd largest iron ore producer with over 106 Mtpa sales
- Seven open cut mining operations
- Nearly 1,000 kilometres of railway track
- Rail fleet comprising 91 locomotives and 3,950 ore cars
  Considered the most productive single track heavy haulage rail system
- 2 major port facilities
  Undergoing modernisation that will increase productivity reduce unit costs
- 2,097 employees and over 6,115 contractors
## FY2007 Highlights

### HSEC
- Continuing to improve safety performance

### Operations
- Meeting volumes (Shipping Challenge)
- Contractor to owner change at Mt Whaleback
- Merger of OB18 with Jimblebar
- Progressive haul in of costs

### Growth
- RGP2/car dumper 4 start up
- RGP3 commissioning
- RGP4 commenced

### People
- Penetration of WAIO culture program
WAIO safety performance trend into FY 2007

- Significant reduction in our injury rates
- Downwards CIFR 12 month trend
- Boodarie Iron decommissioning progressing safely
- Energy reduction project commenced initially focused on waste reduction
- Extensive health/lifestyle programme
WA Iron Ore production FY2007

Yandi JV
- 41.1 Mt
- 85% BHP Billiton, 8% Itochu, 7% Mitsui
- Mining Operations
- Infrastructure: Yandi rail spur connecting the mine to the Newman rail line

Yandi Lump
- 4.1 Mt

Yandi Fines
- 37.0 Mt

Mt Newman JV
- 41.5 Mt
- 85% BHP Billiton, 10% Mitsui-Itochu, 5% Itochu
- Mining Operations
- Infrastructure: Newman rail line

NJV Lump
- 15.4 Mt

NJV Fines
- 26.1 Mt

Goldsworthy JV
- 24.1 Mt
- 85% BHP Billiton, 8% Itochu, 7% Mitsui
- Mining Operations
- Infrastructure: Area C rail spur, Finucane Is. port

MAC™ Lump
- 7.1 Mt

MAC™ Fines
- 15.8 Mt

GWY Lump
- 0.6 Mt

GWY Fines
- 0.6 Mt

WAIO total ore shipped 106.7 Mt
How did WA Iron Ore perform in Q1 FY2008?

Monthly production record for Yandi
4Mt ore produced in August

New record loading rate for three
shiploaders at Port Hedland

Focus on getting as much ore to
port as possible

Development of RGP3
infrastructure on schedule
Integrated planning and system analysis ensure focus is on the true bottlenecks

*We operate as ‘One business’. We are increasing the productivity of our existing infrastructure by removing bottlenecks*
We are investing in Asset Reliability; increasing our capacity to exceed our volumes and cost targets

**Reliable people + reliable processes = reliable assets = reliable production**

- Mine, rail, port assets performing at optimal levels
- Spending A$11m in FY2008 to build our capability and establish systems, process and reliability culture
- Supporting sustainable growth to meet production targets and market demand
**BLASOR® - Advanced resource development planning**

- **BLASOR® provides the capability to “optimise” each hub**
  - Complex optimisation algorithm
  - Determining ore/waste definition for specific products using blending
  - Developing optimal operating rules for multi-pit scenarios
  - Identifying potential value of beneficiation
  - Running multiple scenarios quickly

**New operating philosophy**
- Lower reliance on high strip ratio
  - Whaleback through beneficiation plant optimisation; and
- Increased contribution from low strip ratio satellite ore bodies…

**Already generating benefits**
- Additional 125Mt of Newman JV resource
- Additional NPV of around $500M
Delivering significant value to our operations through business improvement programs

A$174M (100% Share) value from Benefit Capture System (BCS) projects FY2007

- Whaleback Owner Mining A$36.9m
- Jimblebar Combined Site (& OB18) Rate & Free Issue Fuel Savings A$17.2m
- Process to Depart A$10.0m
- Conveyor Belt Contracts Savings For WAIO A$6.2M
- 7 Mine Benefits Capture Projects Smaller scale (<$5M) A$25.3M
- CAPEX Locomotive Procurement A$14.8m
- Whaleback Fleet Replacement A$8.6m
- Power dispute settlement - Boodarie Iron A$5.9m
- MAC OHP1 Improvement Projects A$40M
- Utility Rakes to Deliver Additional System Tonnes A$12.1m
- Increase Net Rates of BWR 3 & 4 A$8.0m
- Maintenance Restructure A$5.1m
- Reduce OHP Mechanical Breakdown at OB 25 A$9M
- Maximise Lump Production through Area C OHP1 A$4M
- Reduce ROM Spotting Time at Nelson Point A$3M
- Increase MTBF for Belt weighers A$3M
- Reduce OHP Unscheduled Operational Downtime at OB25 A$7M
- Whaleback Fleet Replacement A$8.6m
- Maintenance Restructure A$5.1m

A$200M (100% Share) Forecast Benefit from BCS projects FY2008

BHP Billiton Iron Ore Analyst Site Visit
Page 62 28-30 October 2007
Significant strategic advantages

- Strong health and safety culture and history of continuous improvement
- Tremendous endowment of low cost, high quality resources close to existing infrastructure
- World class existing infrastructure and assets
- Unwavering focus on achieving productivity and efficiency improvements
- History of achieving production targets and successful expansion project delivery
- Proven experience operating new infrastructure above design rates
- Strong customer relationships in key Asian growth markets
- Research and unrivalled technical support from BHP Billiton Newcastle Technology Centre (NTC)
- Experienced, high performing leadership team and workforce
We continue to drive leadership and culture to attract and retain the best people

Murray Smith, Vice President Human Resources
**WA Iron Ore workforce overview**

**Workforce Statistics**

- Employees: 2,097
- Contractors: 6,115
- Average Age: 41
- Indigenous: 9.6% (as at 30 June 2007)
- Female: 17%

![Workforce distribution by occupational group](image)

![WAIO people experience (average years of experience)](image)
Engaged people: our priorities

We are driving deeper and achieving good results from our leadership and culture program

**Key Challenges**

**Resourcing**
- Workforce planning data improved / scenarios run – 5, 10 years
- Good initiatives underway
- Centralised recruiting commenced

**Employee Relations**
- Strong position
- Employee relationships are key
- Individual arrangements predominate
The Culture Program builds long-term capability

Investing in a structured leadership development program targeting managers and future leaders across the business

- Future Leaders Program
- BHP Billiton Programs
- Blue Leadership Diploma and Cert IV Programs (Frontline Management)
- Leadership Induction
- Communications Skills
- Leading Change
- Leading Teams
- Business Literacy
- One Plan
- Green Belt
- Vision and Values
- Blue Behaviour Observations
- Leadership Mindset
- Safety Leadership
- Developing People
Workforce planning is strengthening – Retention is better than industry benchmarks

Focussing on closing the gap between existing supply and future labour demand with workforce planning

- Targeted recruitment from other labour pools
- New and invigorated recruitment initiatives
  - Blitz centralised model
  - Employee referral program
- Stronger retention of existing talent
  - Succession planning
  - Leadership & culture program
  - Shareplus
  - Reward and recognition program

Strategies are working:
Turnover rate is well below industry average
Housing improvements are a key to attraction & retention

83% of employees interviewed say housing is a key factor in choosing a role
78% more likely to stay with BHP Billiton than go to an employer with poor housing

• A$340M approved in the past three years for over 500 new houses and refurbishments
  — 114 new houses in Hedland & 180 new houses in Newman
  — 163 refurbishments in Hedland & 125 refurbishments in Newman

Images (L to R): St Cecilia’s Project, Port Hedland – 22 new family homes, 23 terrace style townhouses to be completed late 2008; Port Hedland accommodation projects; Sustainable housing – 5½ star energy rating eco-units at BHP Billiton Iron Ore’s eco-villages
International recruiting ramping up

- Focus on recruiting engineers from Brazil and Canada
- Regional Labour Agreement in place for project workforce
- Bursary scheme providing opportunities for graduates in mining in Guinea
- “Greenshoots” program recruiting graduates from developing markets
Strong succession coverage for the top 67 roles

*We have a strong, global process to identify & review talent*

- Focussed development of High Potentials & Future Leaders
- > 60% of critical roles/vacancies filled internally
- Global people pipelines available to us facilitating awareness, development & movement of talent across the Group

<table>
<thead>
<tr>
<th></th>
<th>Total Ready 1–3 Years</th>
<th>Succession for roles in 3 years or less</th>
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</thead>
<tbody>
<tr>
<td>Executive candidates</td>
<td>19</td>
<td>&gt; 100%</td>
</tr>
<tr>
<td>Manager candidates</td>
<td>39</td>
<td>75%</td>
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</tbody>
</table>
90% of workforce on individual contracts

- 80% with 5 year life
- No lost time since 2000
- Greater flexibility
- Key elements
  - Direct relationships
  - Competitive remuneration
  - Culture program
  - Leadership training

Image: The BHP Billiton Iron Ore individual agreement information pack accompanies all new contracts; providing information on terms and conditions of employment
We understand the opportunities and challenges and we have the capabilities and assets to continue to outperform.

Ian Ashby
President Iron Ore
We understand the challenges and are focussed on achieving:

SAFETY  PRODUCTION  COST  GROWTH

We have the capabilities and the assets to continue to outperform...

PEOPLE  EQUIPMENT  RESOURCES
End of Day 1