

BHP Billiton – Growth through optionality



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UBS Basic Materials Conference
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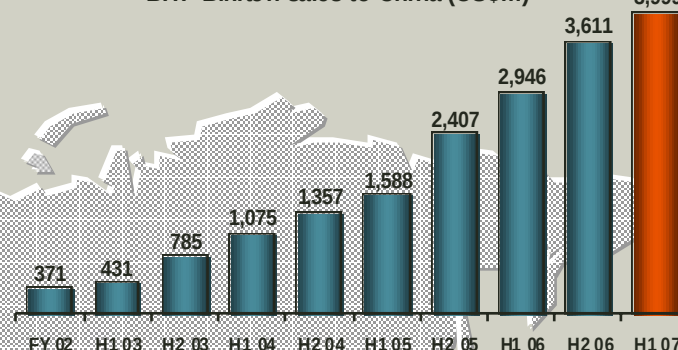
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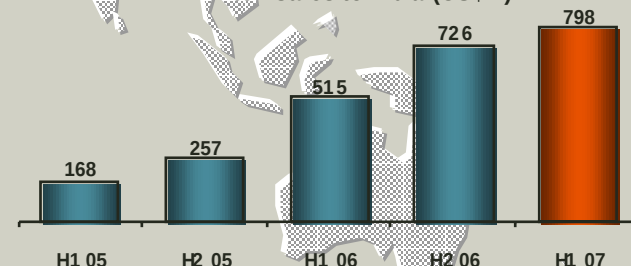
Global demand growth continues

- **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)



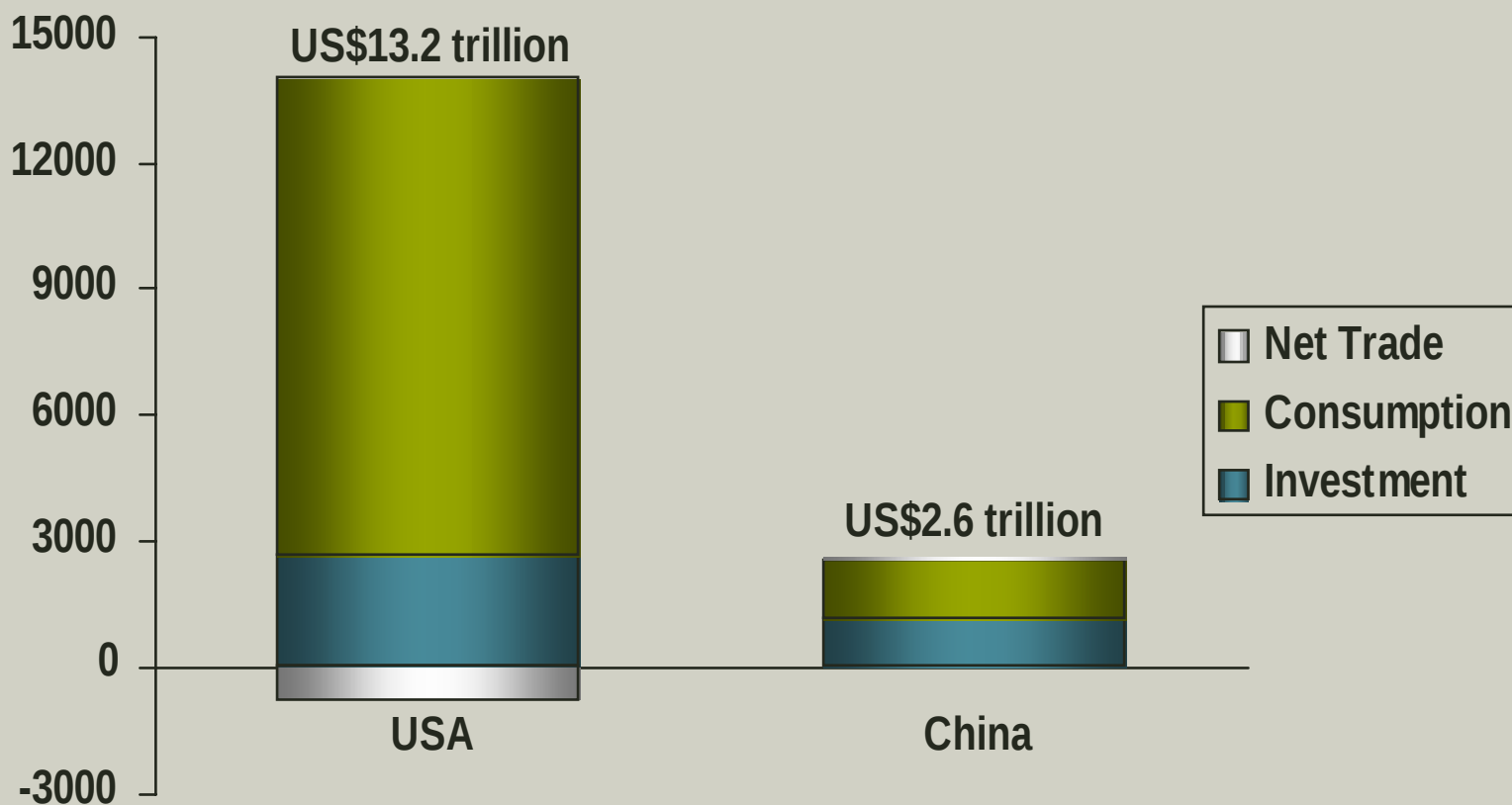
BHP Billiton sales to India (US\$m)



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

The US economy is five times larger than China's...

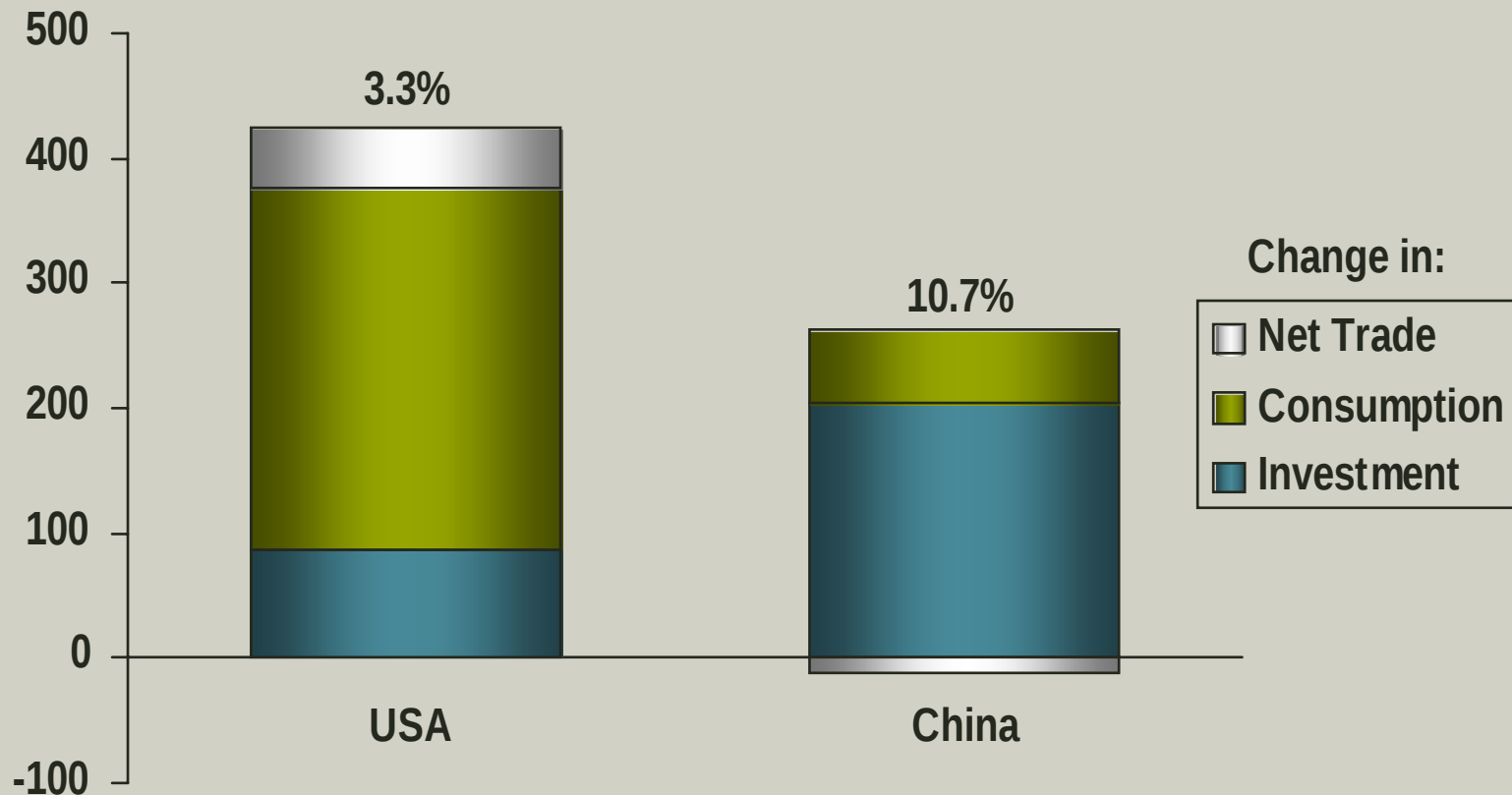
Structure of 2006 Nominal GDP in US\$ Billions



Source: Global Insight. GDP at 2006 market exchange rates

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

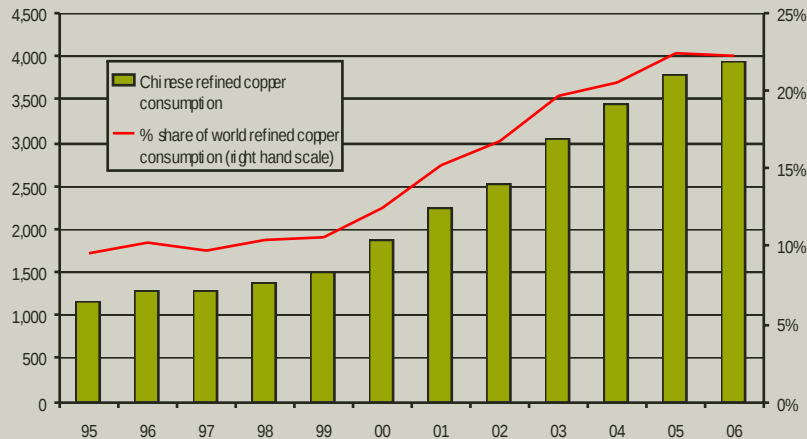
Change in GDP in US\$ Billions in 2006



Source: Global Insight. GDP at 2006 market exchange rates

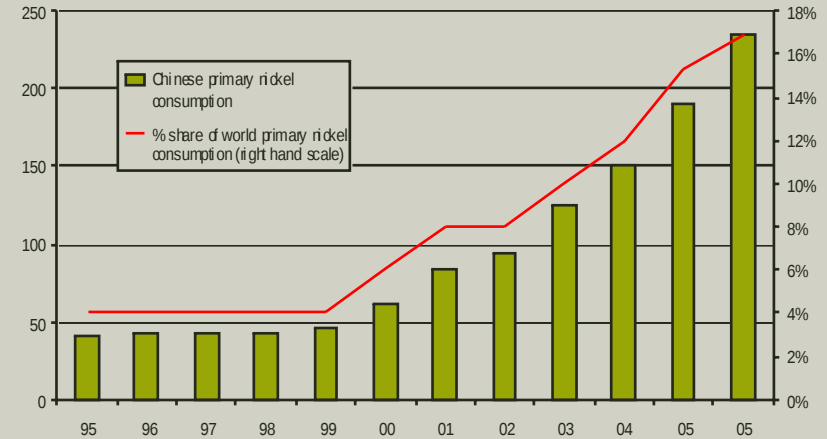
Chinese copper, nickel, aluminium and iron ore demand and its % share of world demand

'000 tonnes



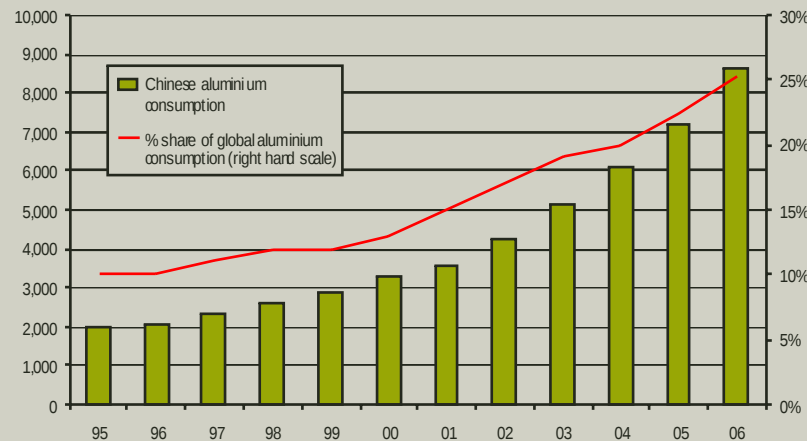
Data: BHP Billiton

'000 tonnes



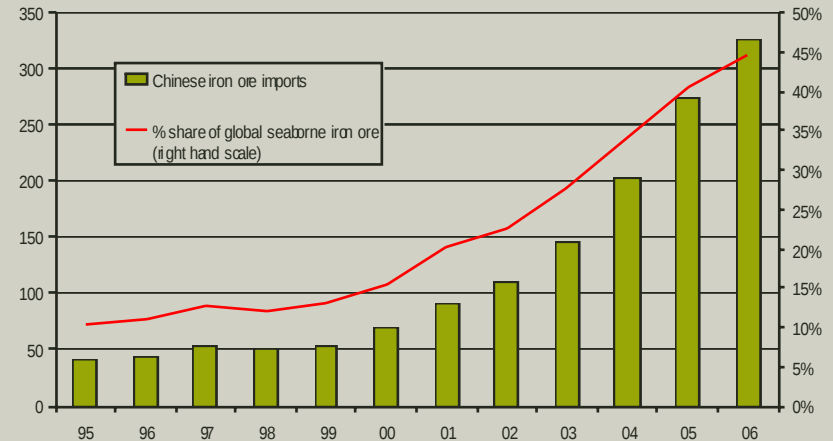
Data: INSG, CRU

'000 tonnes



Data: Brook Hunt, CRU

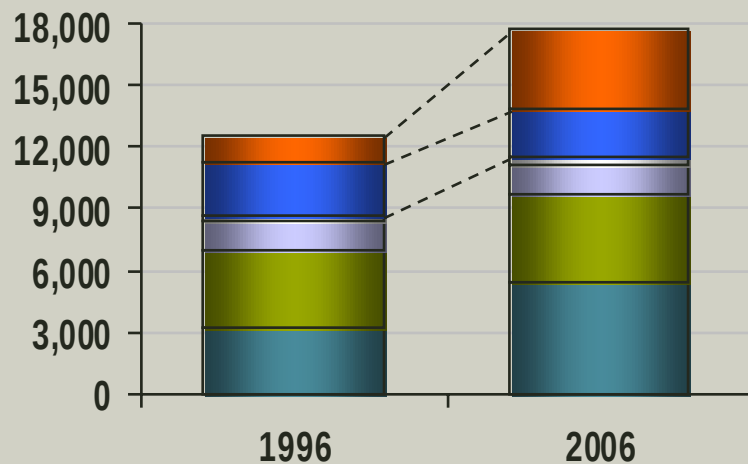
million tonnes



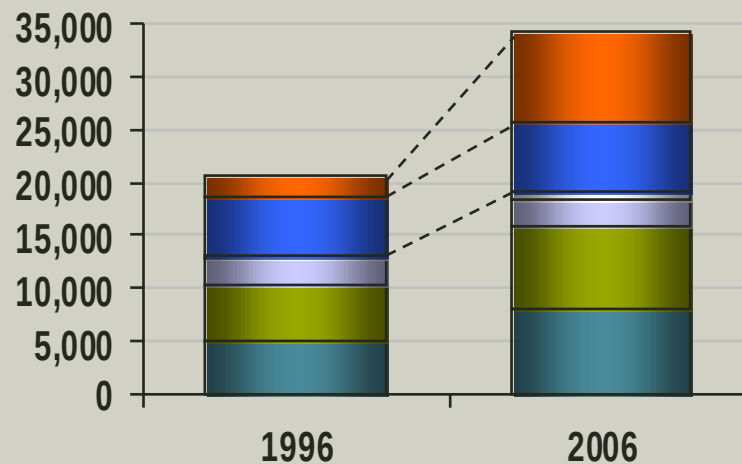
Data: ISI, China Customs, CRU, Tex, Clarksons & BHP Billiton

Global consumption

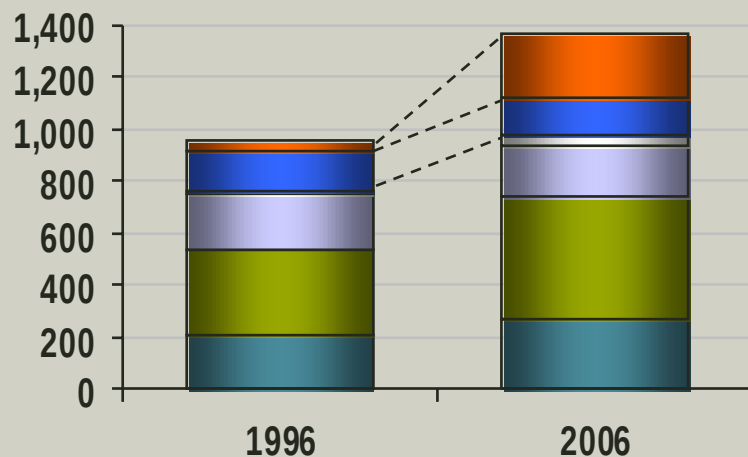
Copper consumption (kt)



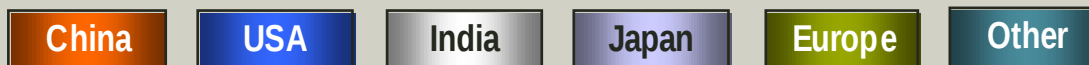
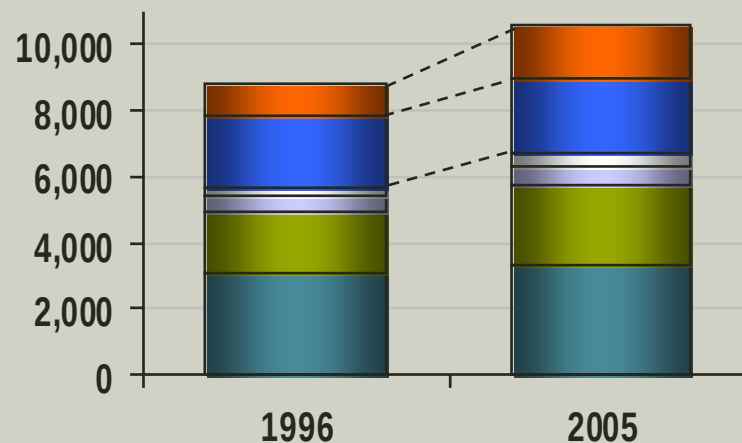
Aluminium consumption (kt)



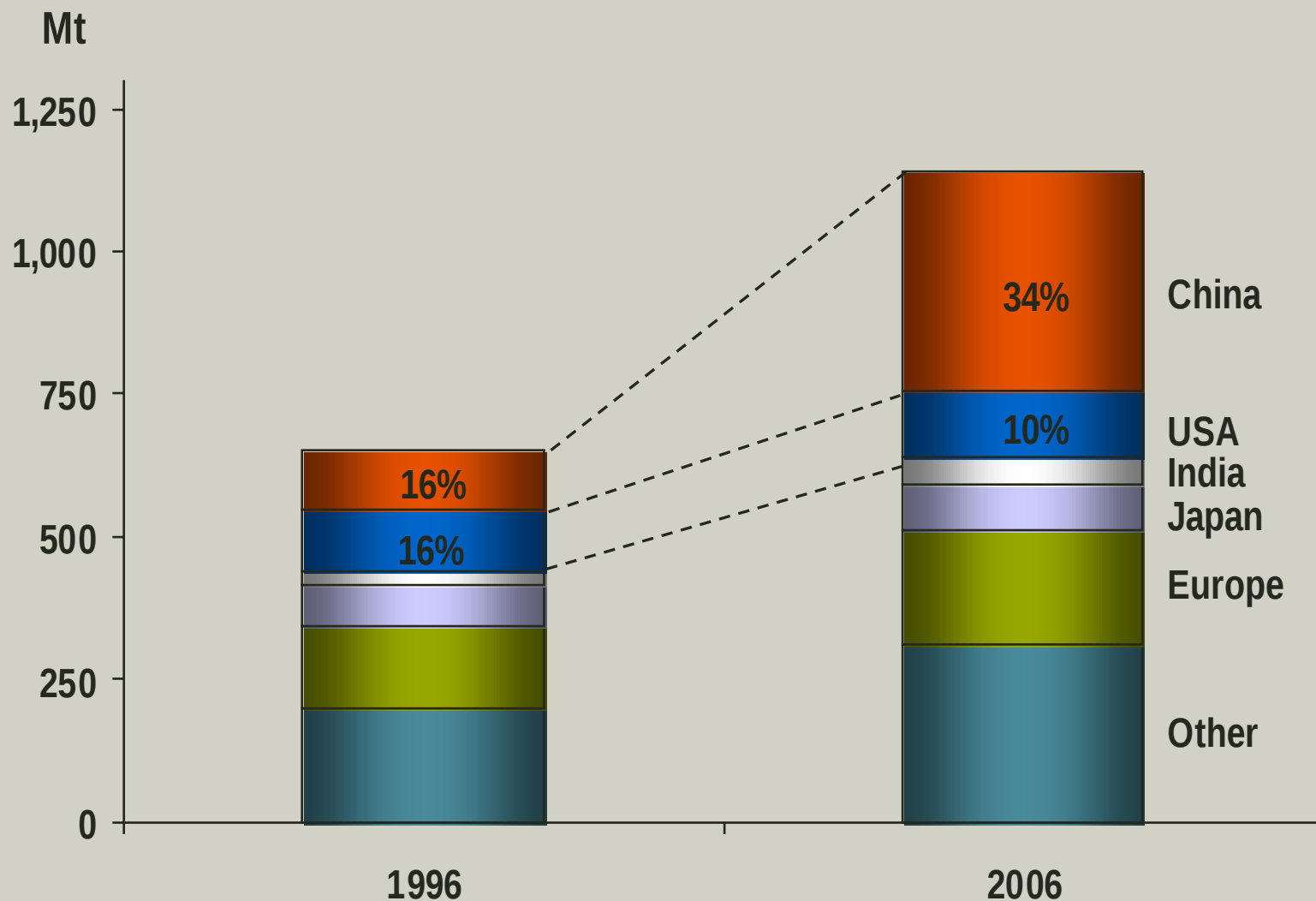
Nickel consumption (kt)



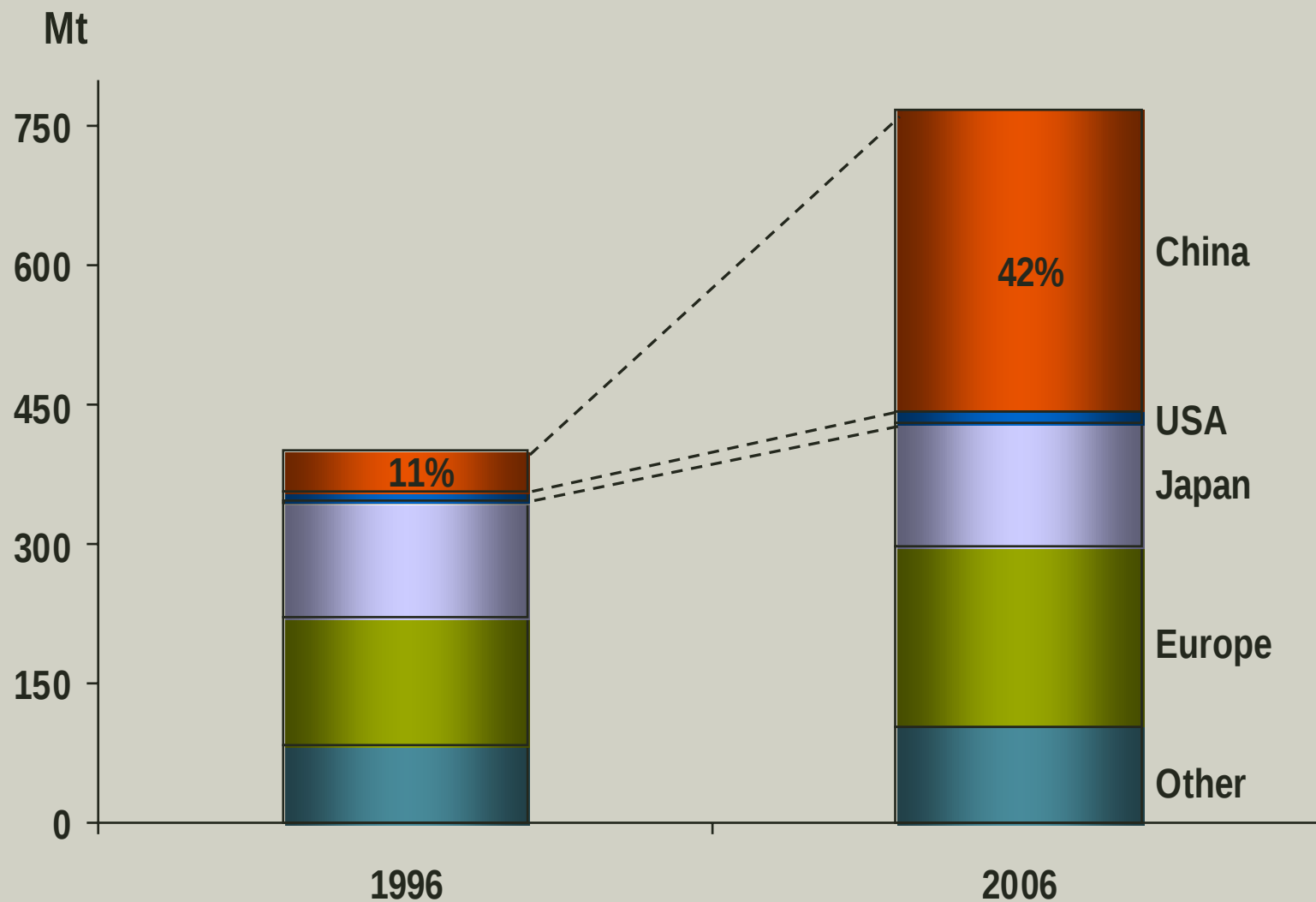
Energy consumption (mtoe)



Global finished steel consumption



Global seaborne iron ore consumption

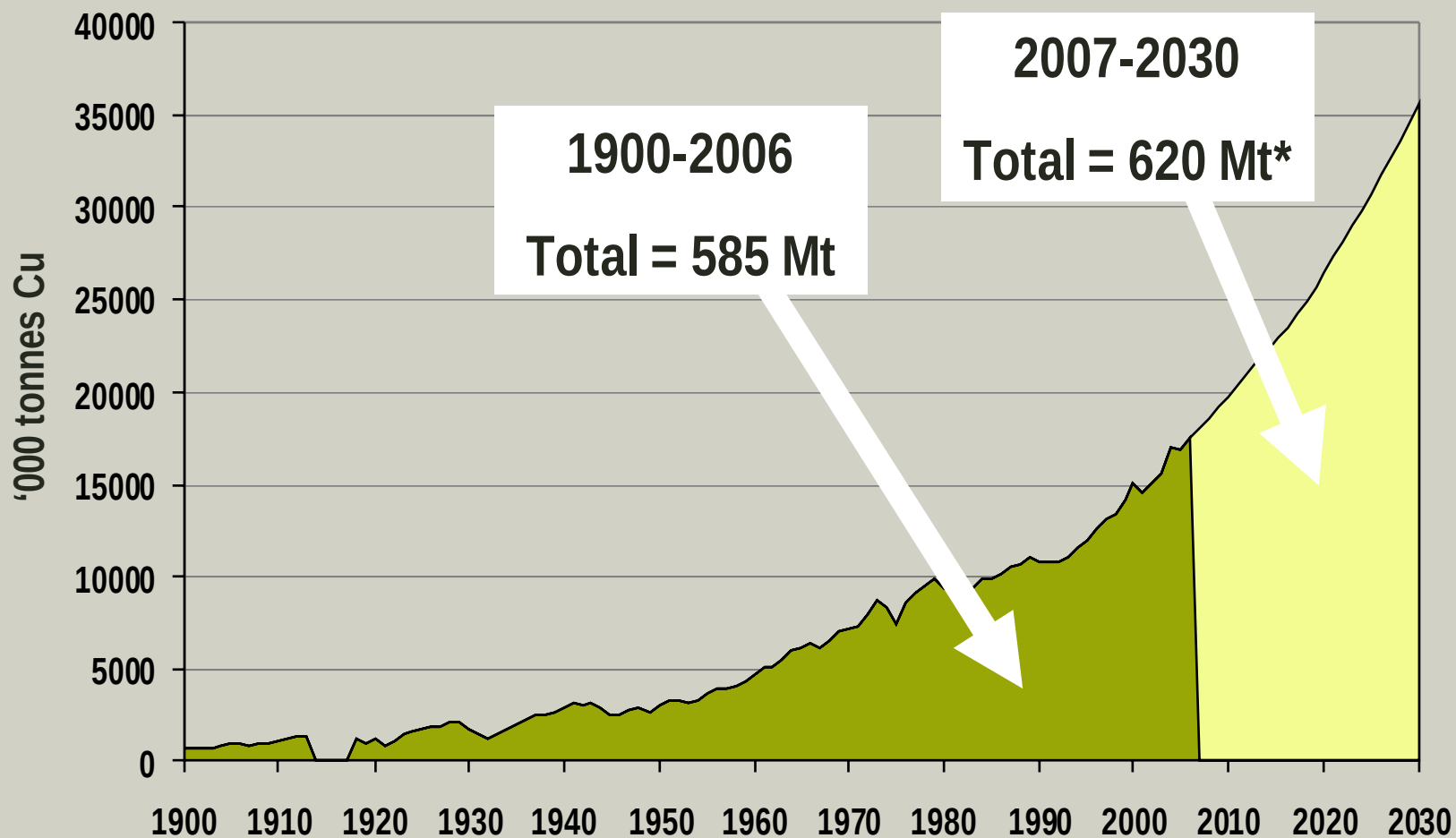


What if...?

- Industrialisation in the world's emerging markets continues?
- World demand for major industrial metals persists at 2 – 3% p.a.?
- World demand for energy continues to grow at around 1% p.a.?

The following charts postulate that if long-term demand growth rates are maintained at these levels, the “call” on industrial metals (and energy) in the next 25-30 years could be as great as throughout modern history...

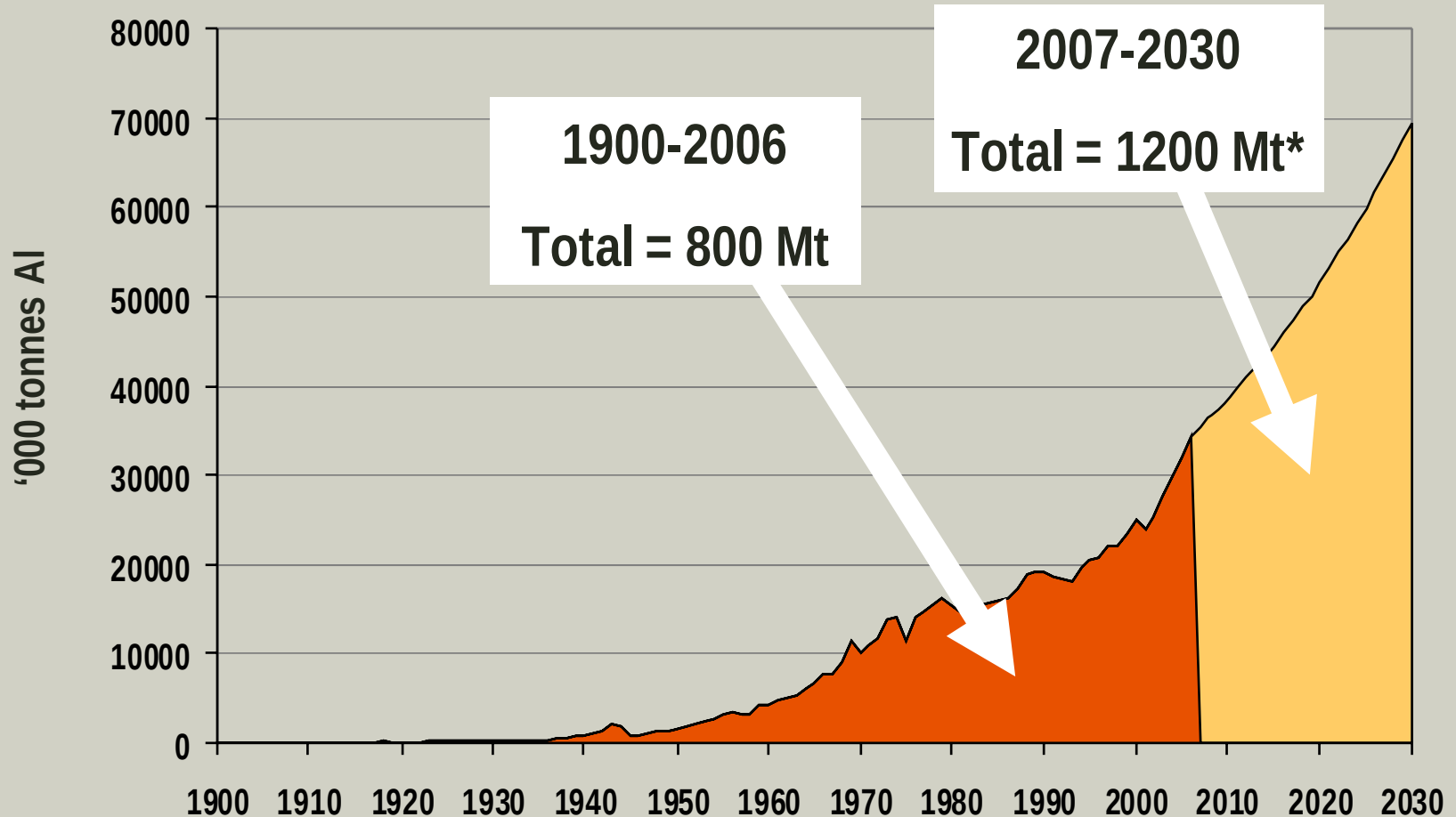
World refined copper consumption



•At a hypothetical world average growth rate of 3% p.a.

Source of data: CRU

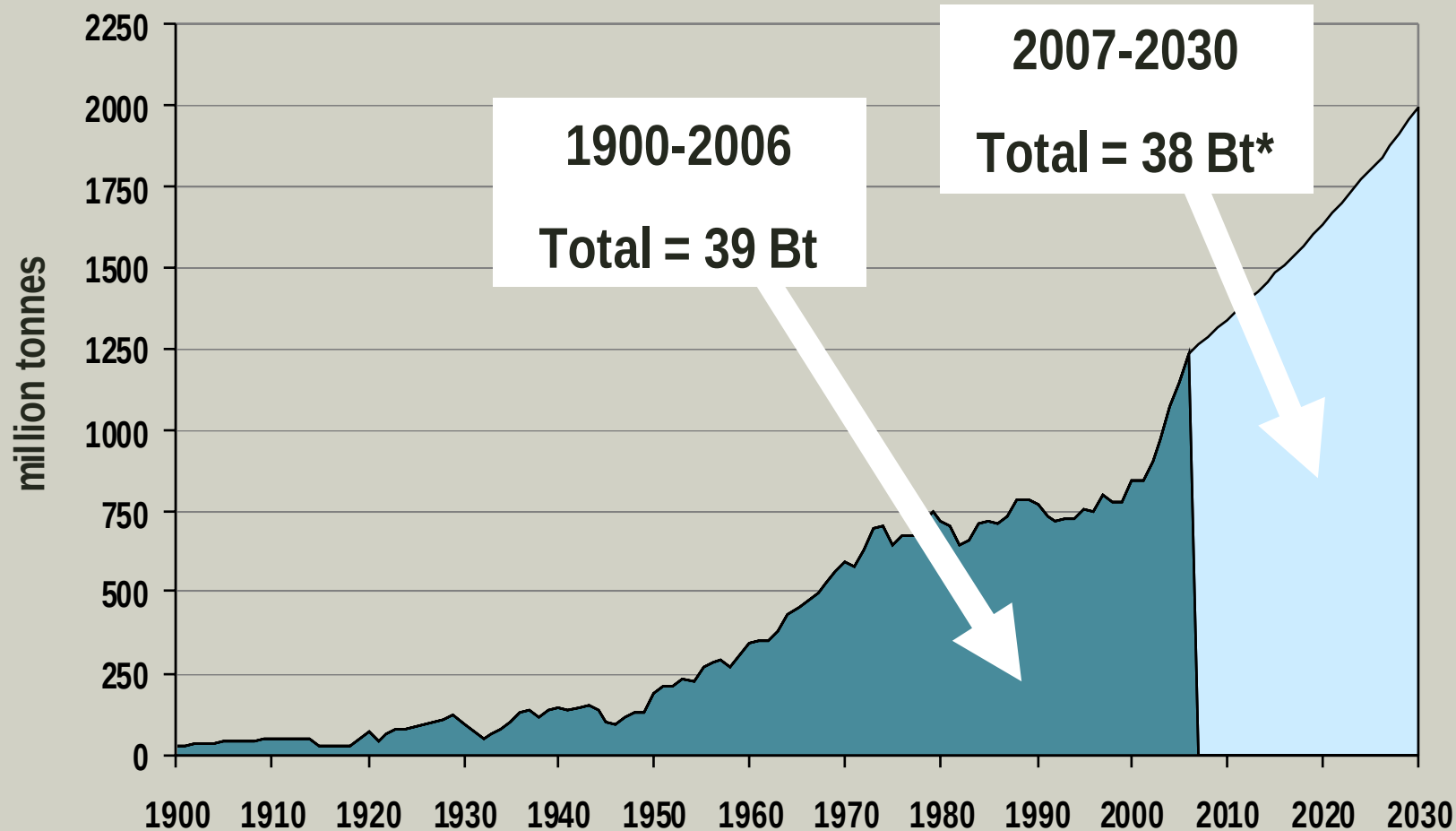
World primary aluminium consumption



•At a hypothetical world average growth rate of 3% p.a.

Source of data: IISI

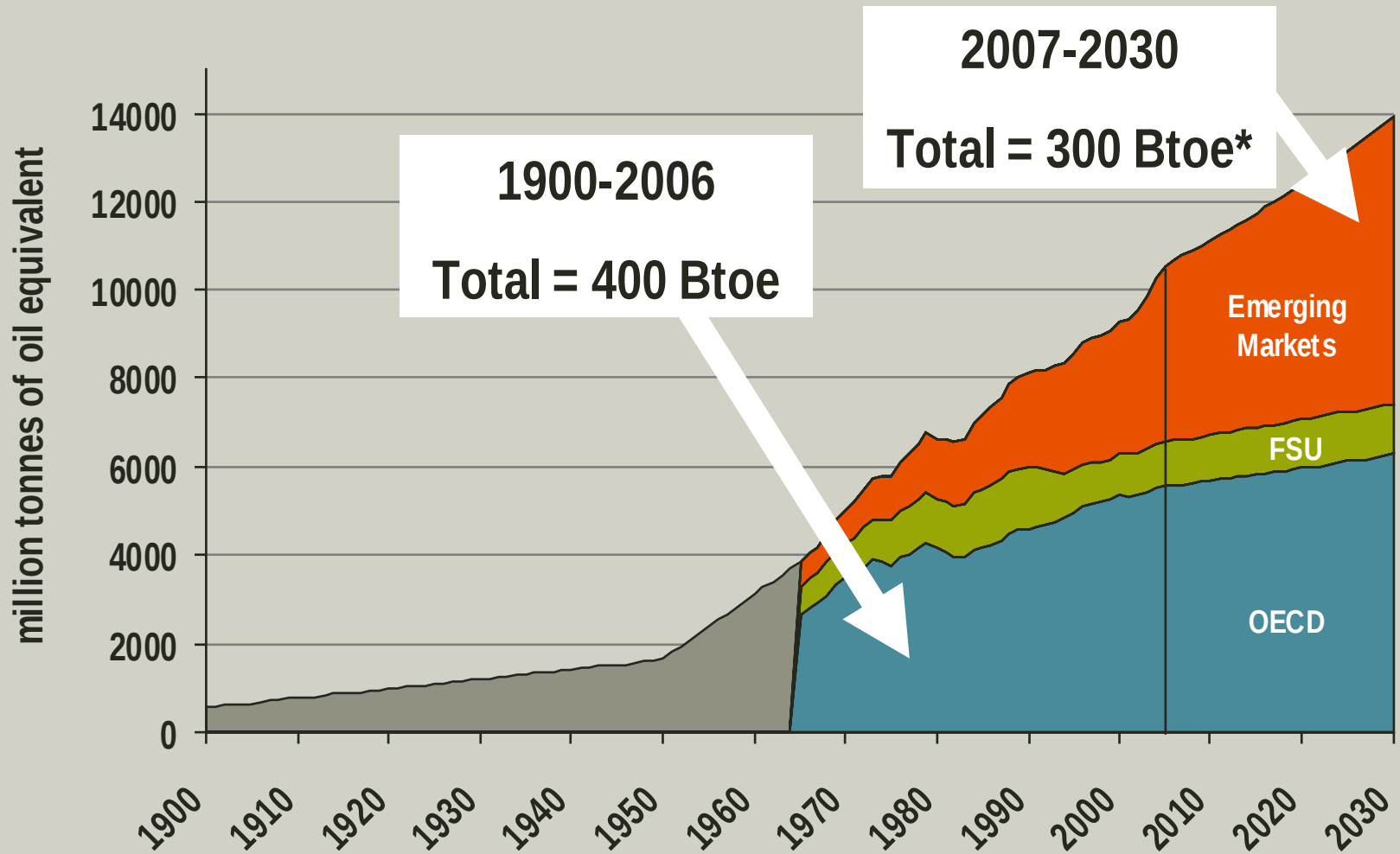
World crude steel production



•At a hypothetical world average growth rate of 2% p.a.

Source of data: IISI

World primary energy usage



•At a hypothetical world average growth rate of 1% p.a.

Source of data: 1965-2005: BP Statistical Review of Energy; Btoe = billion tonnes oil equivalent

1900-1965: Derived from Maddison, UK Select Committee on Economic Affairs.

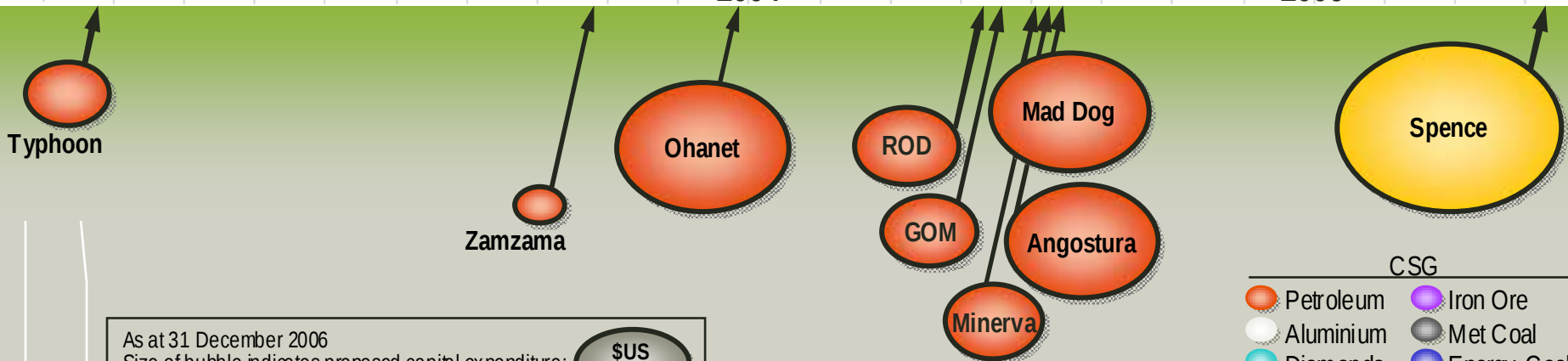
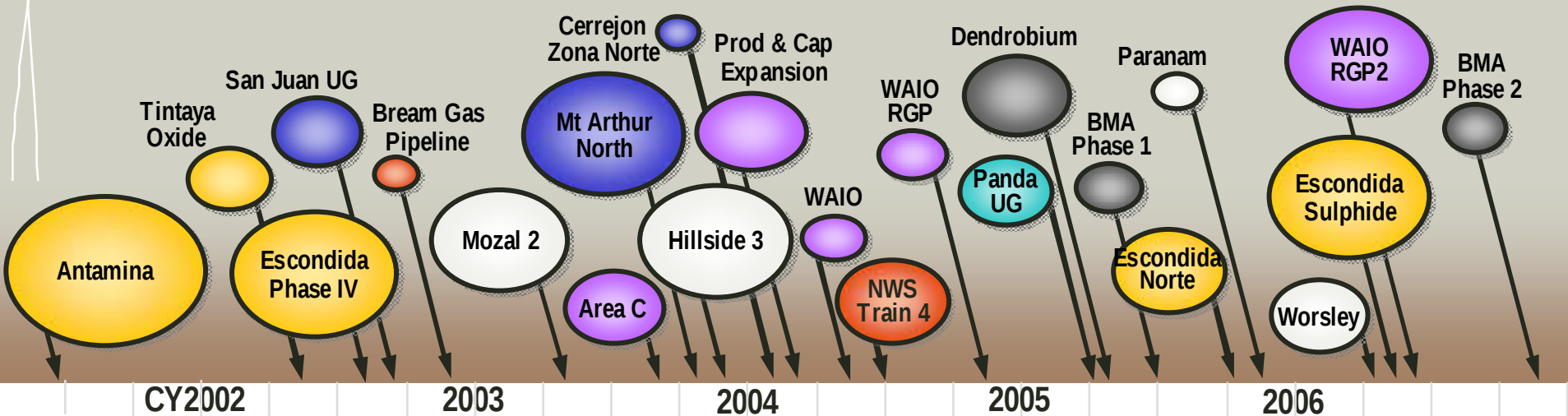
*300 Btoe = 450 billion tonnes of hard coal

What are the implications of this?

- The US is not the only driver of global demand
- Underlying demand remains strong driven by developing economies and solid growth in the OECD
- The world could consume more copper, aluminium, steel etc in the next 25 years as it has done throughout history
- A relatively modest 3% growth in demand suggests over 500,000t of copper and over 1 million tonnes of aluminium required annually
- Where will this new supply come from? Supply continues to be constrained – where are the new big projects?

Projects commissioned since July 2001

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

**\$US
200M**

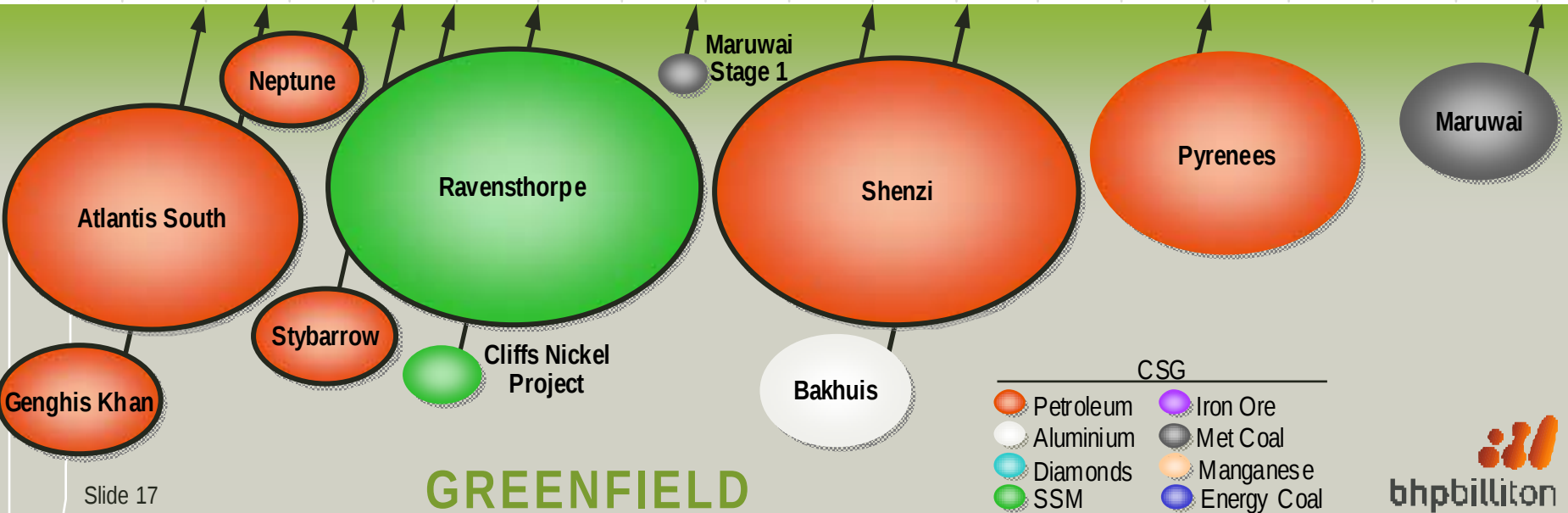
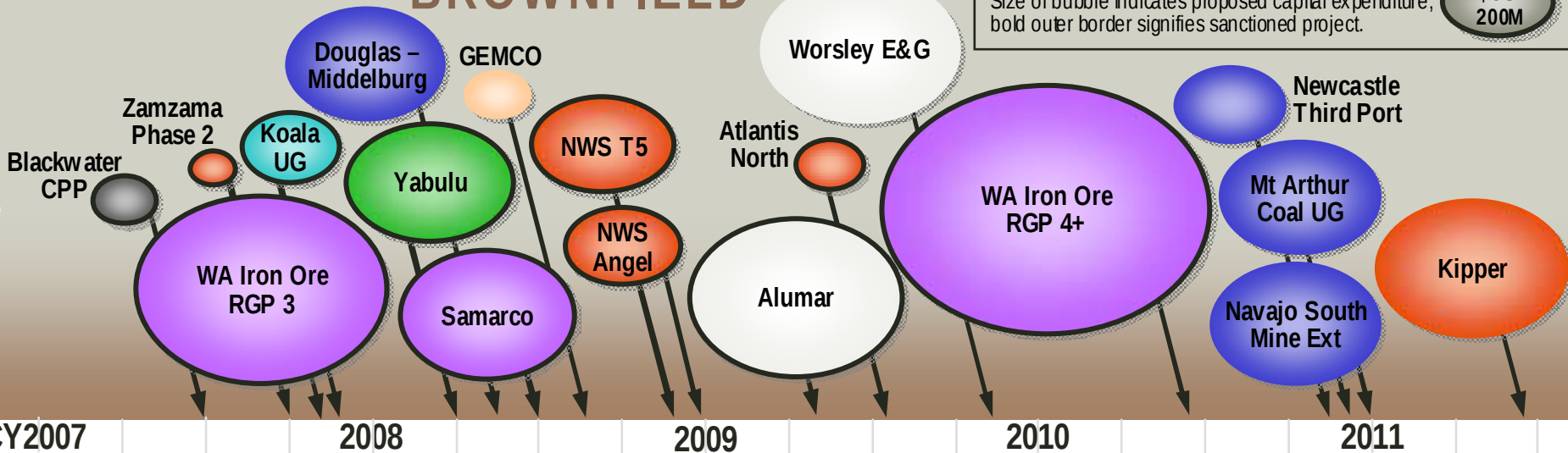
- CSG
- Petroleum
 - Aluminium
 - Diamonds
 - Base Metals
 - Iron Ore
 - Met Coal
 - Energy Coal

Projects in development and feasibility stages

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As at 30 April 2007
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

BHP Billiton: growth from SANCTIONED projects

	Sanctioned projects – BHP Billiton share of production	% of current production
Iron Ore	46.3mt	48%
Nickel	50kt	29%
Copper	304kt	24%
Alumina	720kt	17%
Petroleum	68mmboe	59%

Conclusions

- Demand set to remain strong
- Chinese industrialisation and urbanisation could continue for at least the next decade
- India likely to follow
- The world could consume more copper, aluminium, steel etc in the next 25 years as it has done throughout history
- BHP Billiton well placed to capture its share of growth in demand through world class assets and outstanding project pipeline



bhpbilliton