BHP Billiton
Carbon Steel Materials



CSG Briefing

Sydney: 15 March, 2004
London: 18 March, 2004

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Speakers

• Bob Kirkby	President Carbon Steel Materials
• Andrew Offen	Marketing Director Carbon Steel Materials
• Peter Beaven	VP & Chief Development Officer
• Graeme Hunt	President BHP Billiton Iron Ore & Boodarie Iron
• Colin Bloomfield	President Illawarra Coal
• Dave Murray	CEO BMA

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Carbon Steel Materials Overview

Bob Kirkby
President Carbon Steel Materials

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CSM - The premier supplier of raw materials to the global steel industry

- Unprecedented demand for all commodities
- Operating the majority of assets at record production rates
- Low cost, low risk expansions underway, based on an unparalleled suite of resources
- Reliability – a key customer value proposition for CSM
- Continued focus on improvement – costs, productivity & capital efficiency
- Putting platforms in place to sustain position over the longer term

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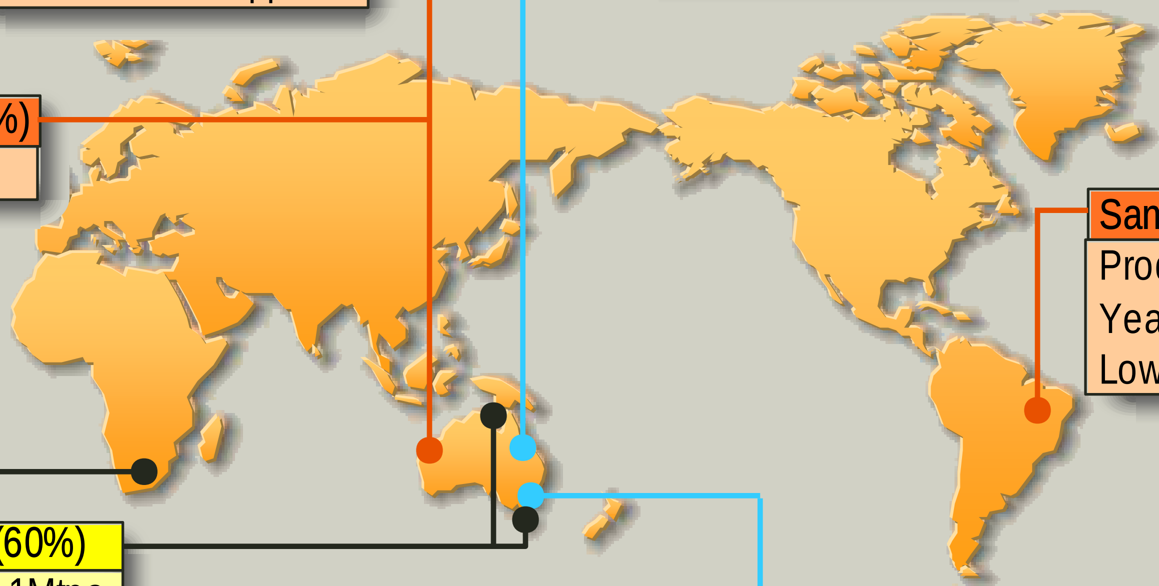
Long life Tier 1 assets

WA Iron Ore (85-100%)
Prod: 77Mtpa
Years of Life: 35
No 3 Seaborne supplier

QLD Coal (50 – 80%)
Prod: 50Mtpa
Years of Life: 50
No 1 Seaborne supplier

Boodarie Iron (100%)
Prod: 1.7Mtpa



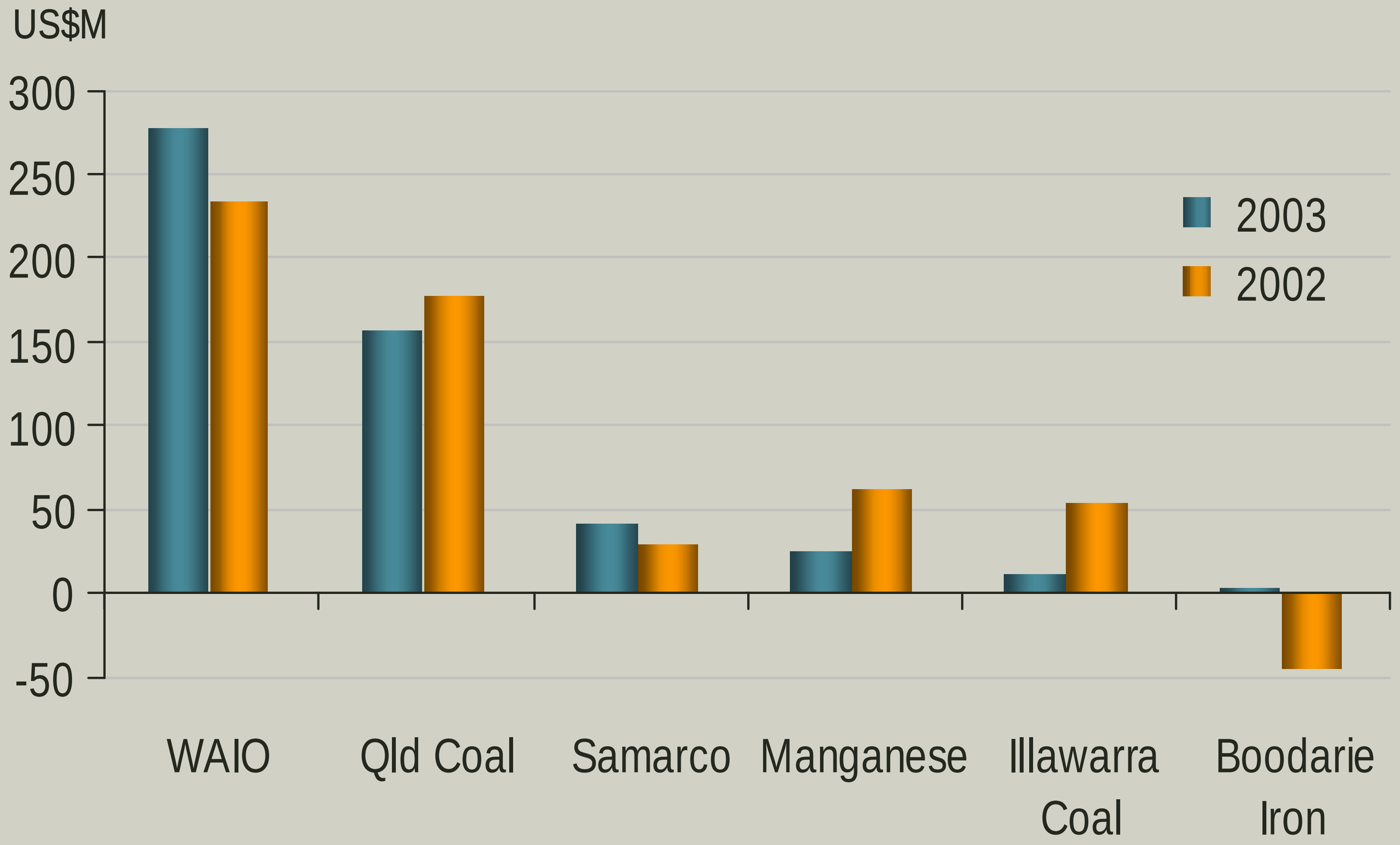
Samarco Iron Ore (50%)
Prod: 15Mtpa
Years of Life: 40
Low cost pellet producer

Manganese (60%)
Prod: Ore 4.1Mtpa
Alloy etc 0.7Mtpa
Years of Life:
Aust 25
SA 30
No 1 Supplier

Illawarra Coal (100%)
Prod: 7Mtpa
Years of Life: 45
Niche supplier

100% nominal production capacity

Consistently strong EBIT despite appreciating local currencies (HY ended Dec 03 vs. HY ended Dec 02)



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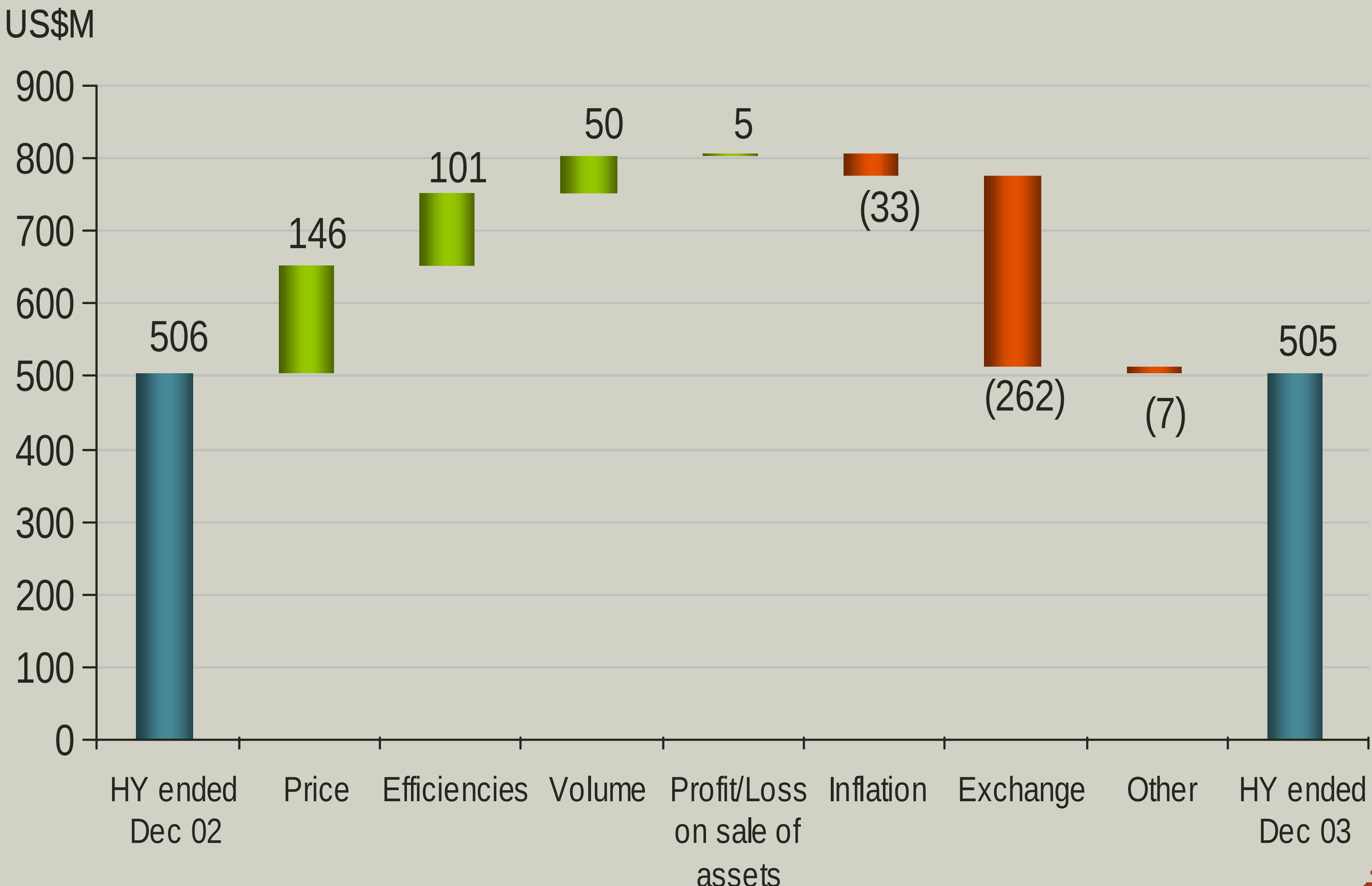
Improved operating performance offset by FX

(EBIT Variance Analysis – HY ended Dec 03 vs. HY ended Dec 02)



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Sensitivities – FX impact on CSM EBIT (HY ended Dec 03)

Australian Dollar (US¢1/A$)

WAIO	US$7M
Qld Coal	US$5M
Illawarra	US$2M
Manganese	US$2M
	US$16M

South African Rand (1 Rand/US$)

Manganese	US$15M

*Figures include net monetary liabilities

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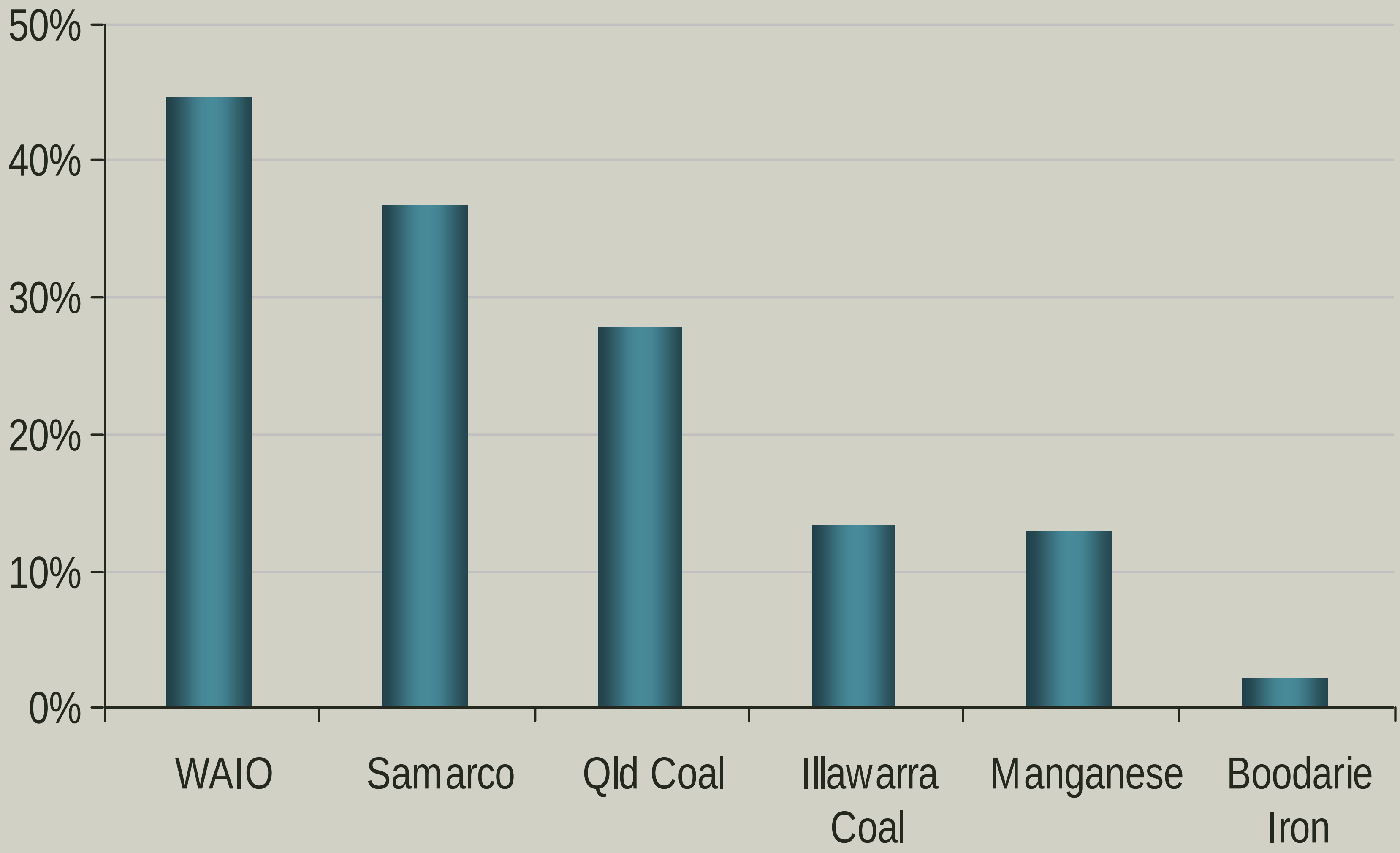
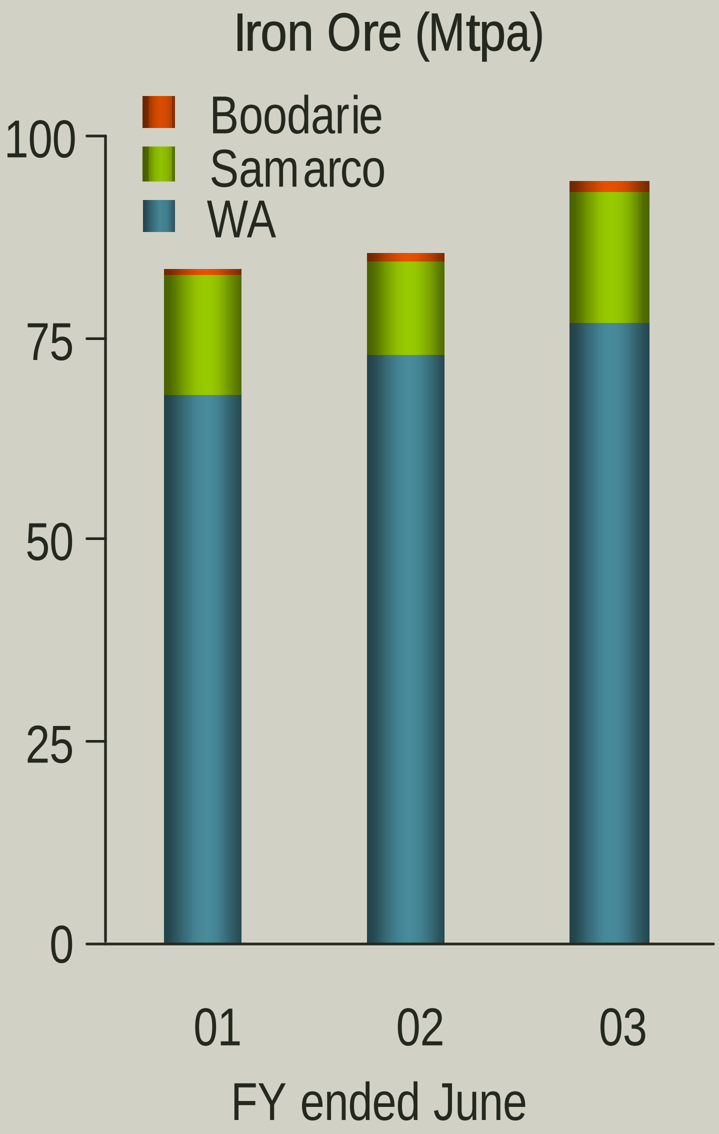
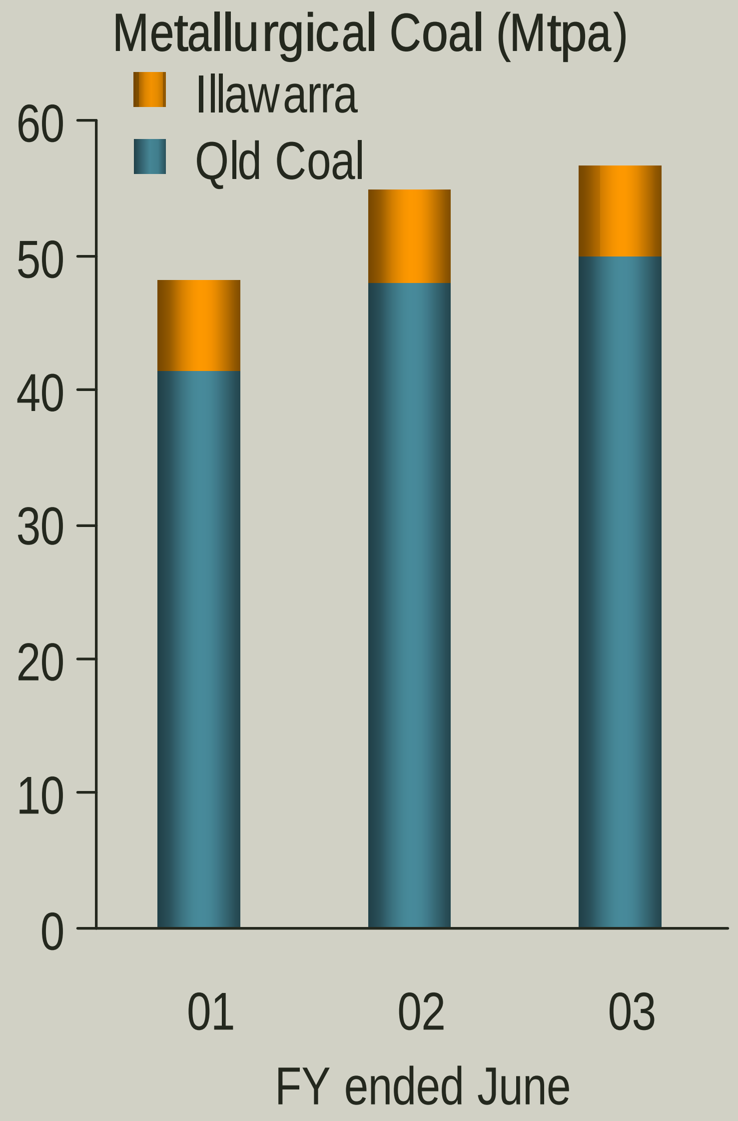
Maintaining strong EBITDA margins (HY ended Dec 03)



Producing to meet unprecedented demand





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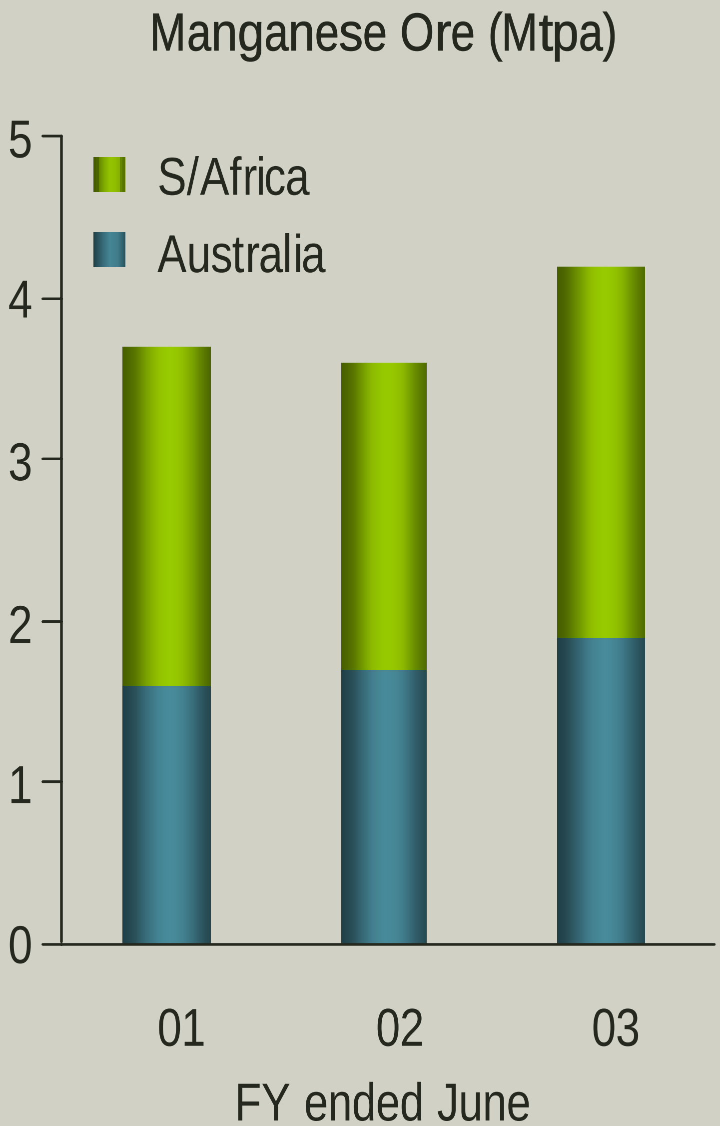
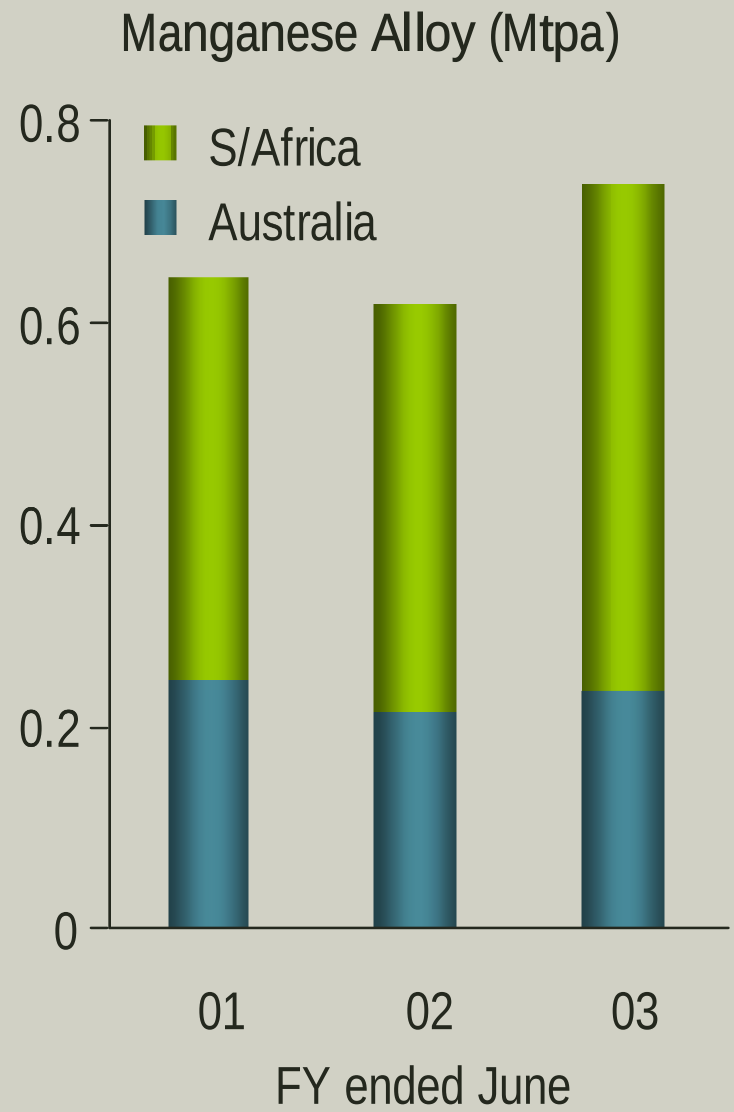
Producing to meet unprecedented demand





*All figures are quoted on 100% basis

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China: Driving Global Steel Industry Growth

Bob Kirkby

President Carbon Steel Materials

China’s steel industry

- Largest Steel Producing Country

  23% of world total, BOF dominated – reliant on seaborne iron ore and increasingly coking coal, fragmented industry, long products dominate

- Largest Steel Trading (importing) Country

  Largest steel importer, flat products focus, Asian & CIS steelmakers major exporters to China

- Largest Steel Consuming Country

  27% of total world steel consumed by China in CY2003

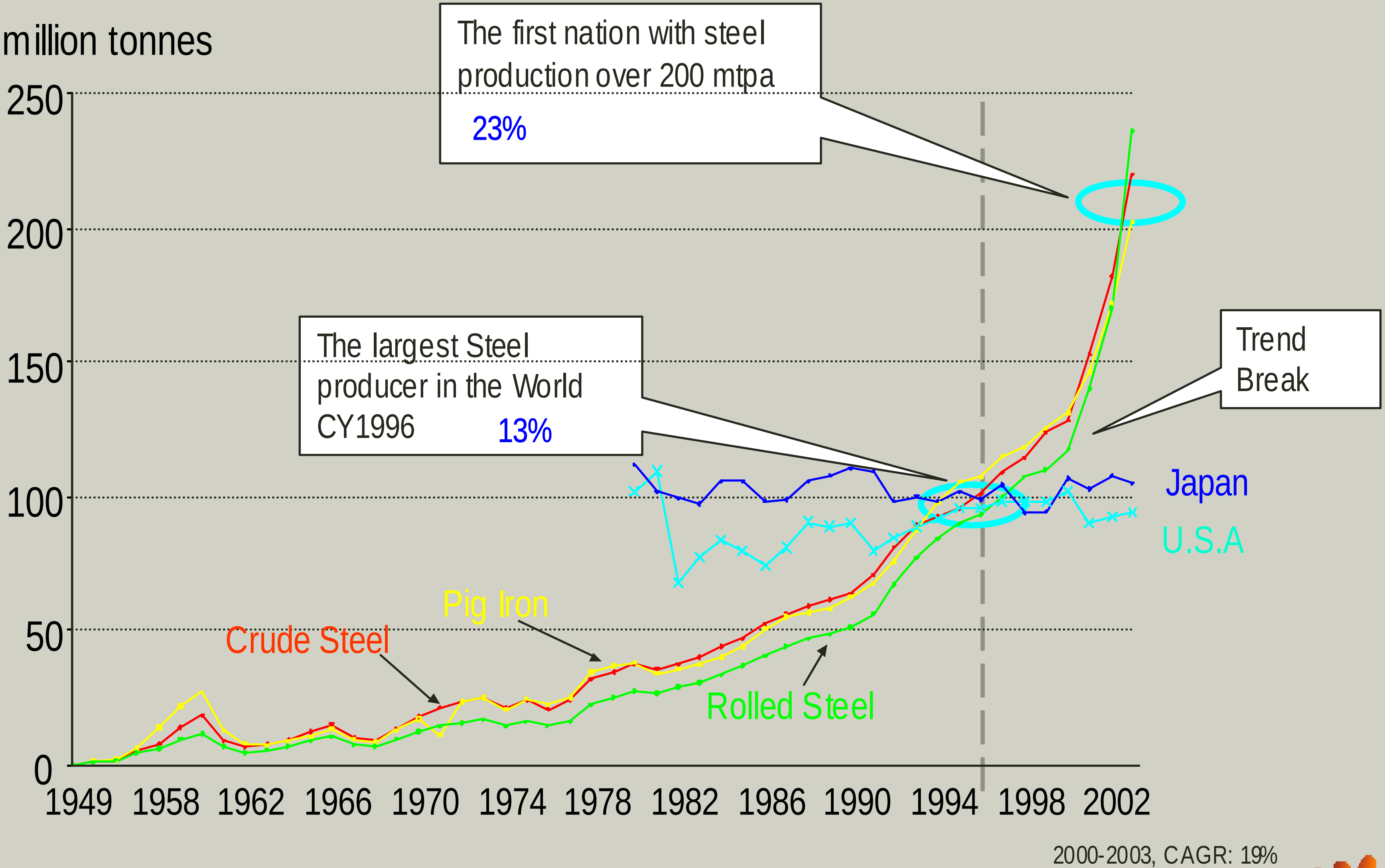
- Competitiveness of China’s Steel Industry

  Very good – state of the art software and hardware

- Biggest growth market

  China’s steel usage and production will continue to increase, trend of moving “to the coast” & commercial decisions driving product mix & raw material purchases

Largest steel producer in the world



Source: IISI, CISA

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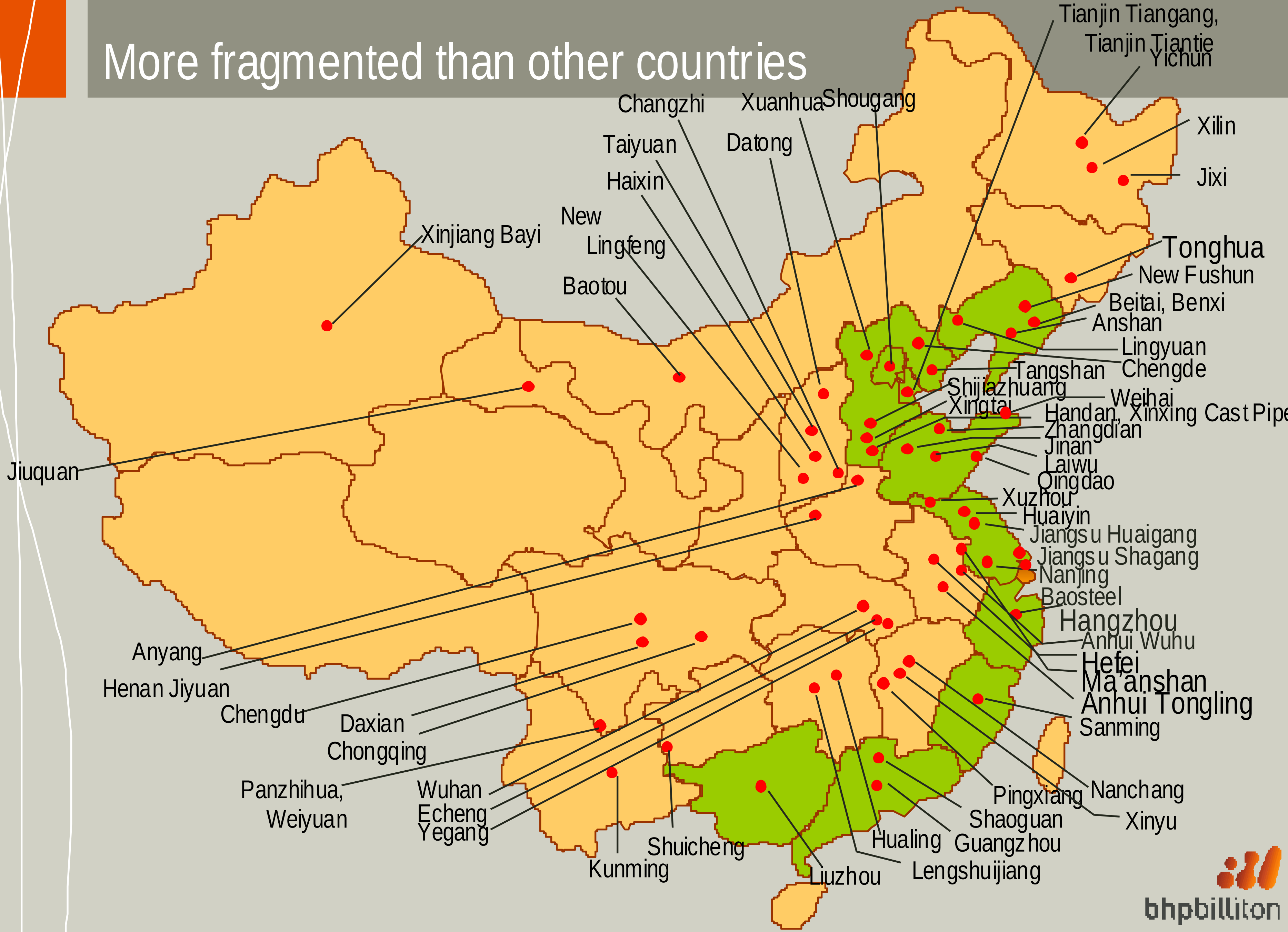
More fragmented than other countries



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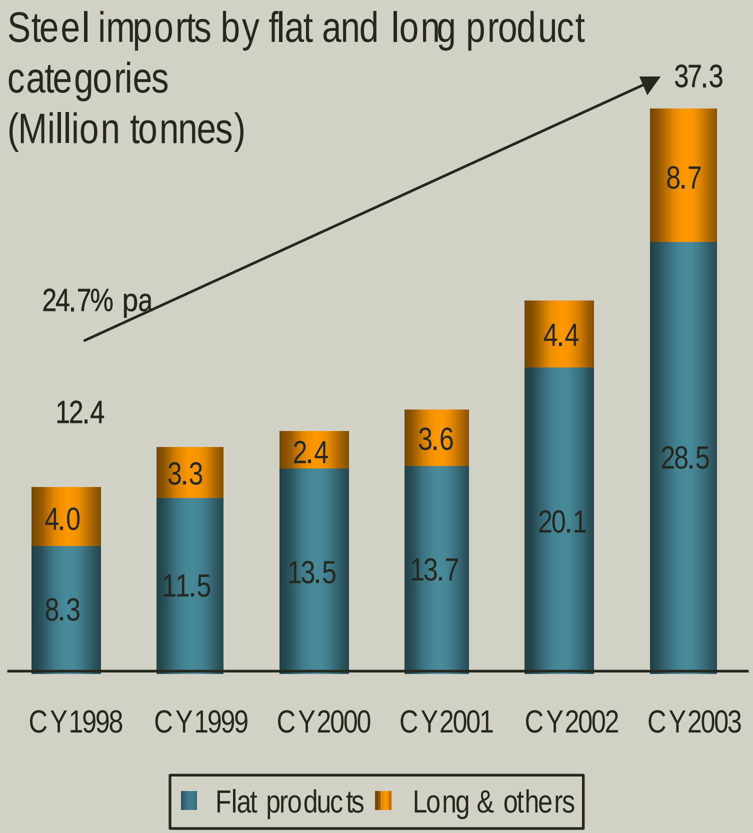
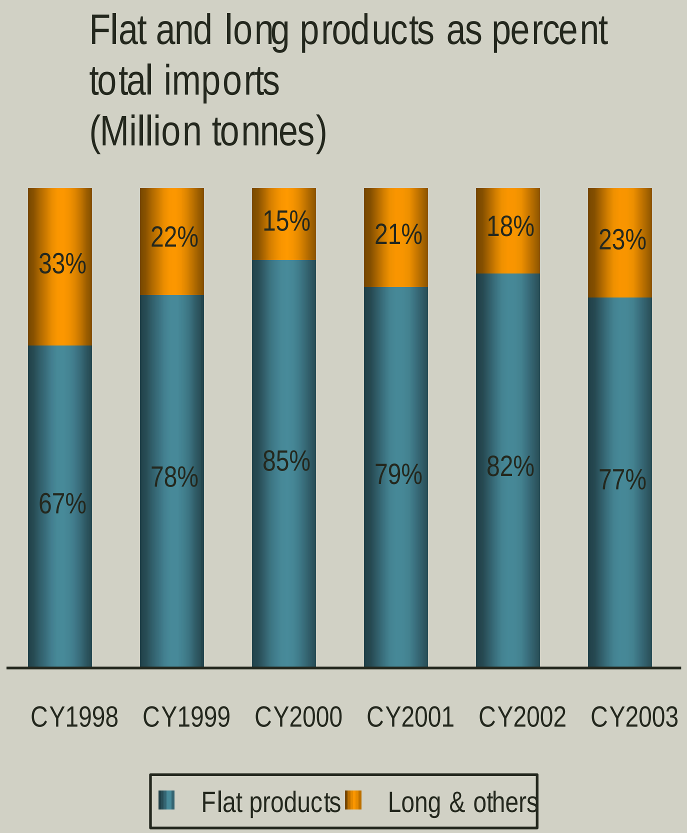
Largest steel trading (import + export) country

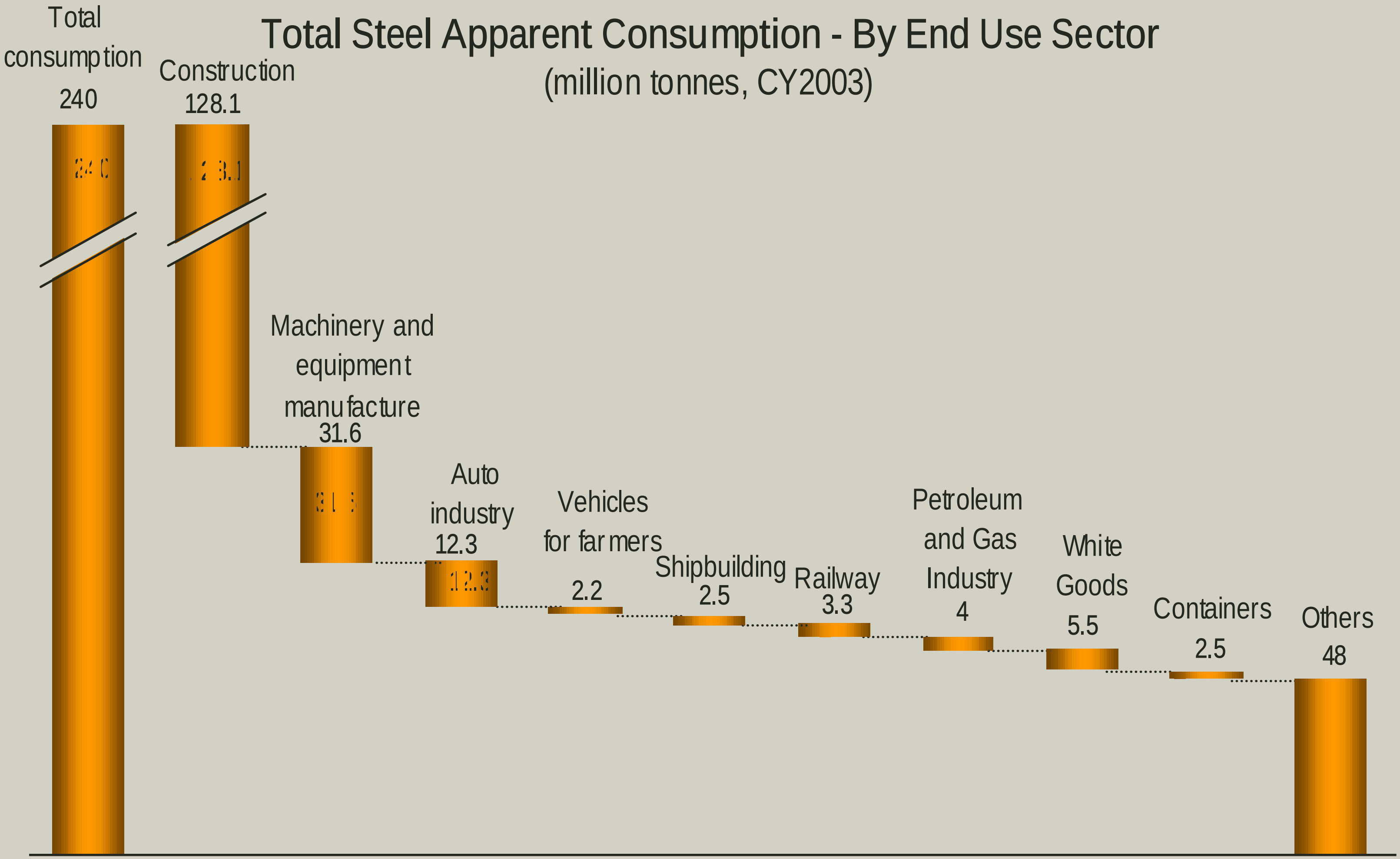
Flat Products Focus





Source: Chinese Customs Data

Largest steel consuming country in the world



Source: BHPB, CISA

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Steel and Steelmaking Raw Materials Market Outlook

Andrew Offen

Marketing Director Carbon Steel Materials

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Global steel outlook and trends

- Global economic environment very positive for steel demand
  - Chinese steel demand still strong – no sign of let up
  - Signs of improved demand growth in US, Europe, Russia, India
- Chinese import demand sustaining high global production
  - Japan, Korea, CIS all benefiting
- Global steel inventories generally low
- Additional Chinese steel making capacity being built
- Current year high probability of seeing 1 billion tonne production
- Overall steel situation supporting further robust price rises
- Steel industry profitability showing continued improvement

STEEL DEMAND PICTURE VERY ROBUST

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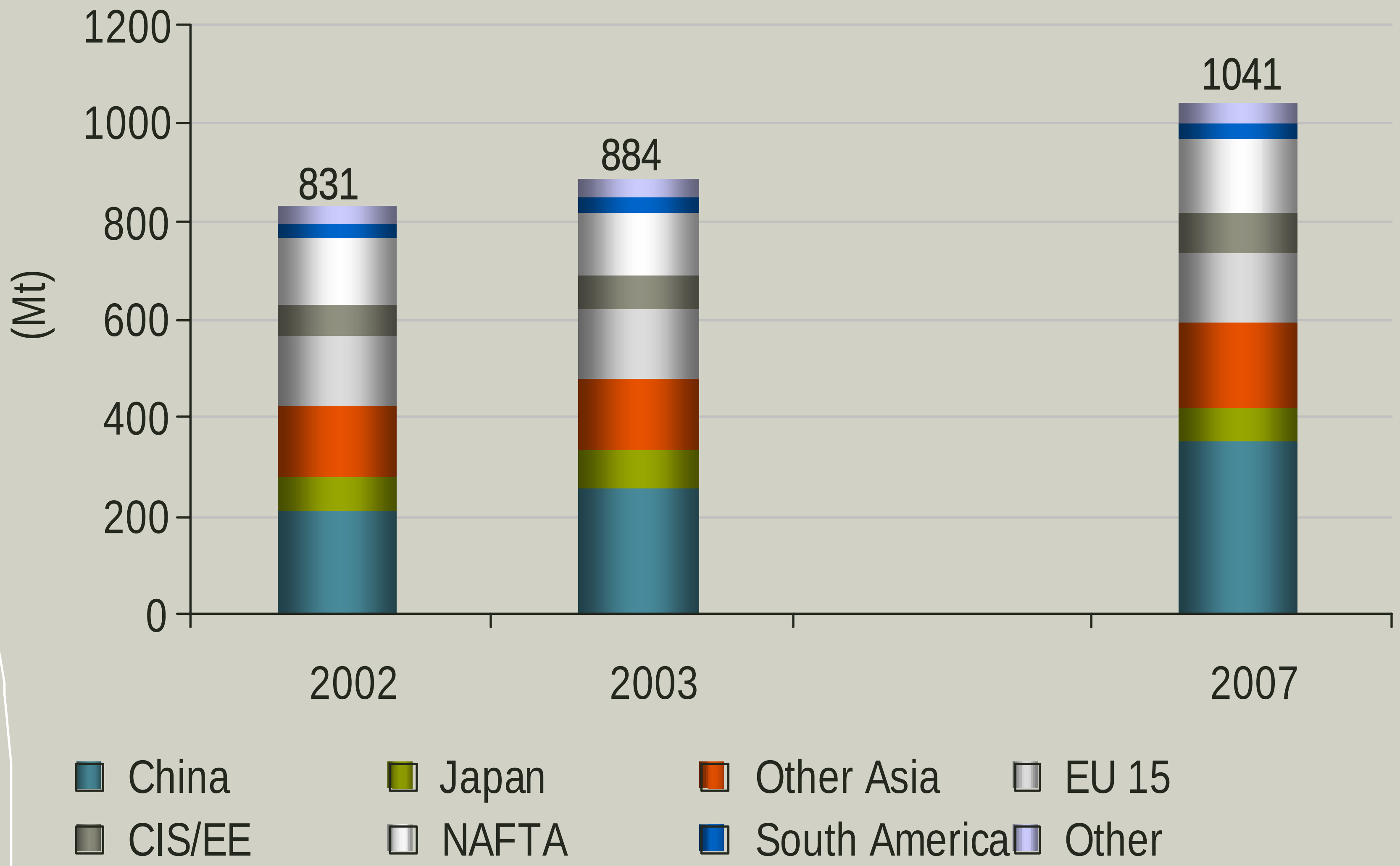
Global steel demand to 2007 (IISI mid case)



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Current iron ore market situation

- Market conditions tight; continued shortage of physical ore as demand remains very high
- China driving global seaborne demand, 36Mt increase in 2003, further strong growth forecast for 2004 and beyond
- Strong demand growth for HBI
- Major suppliers actively expanding production as fast as possible
- High freight rates impacting trades, favouring Australian producers into Asia

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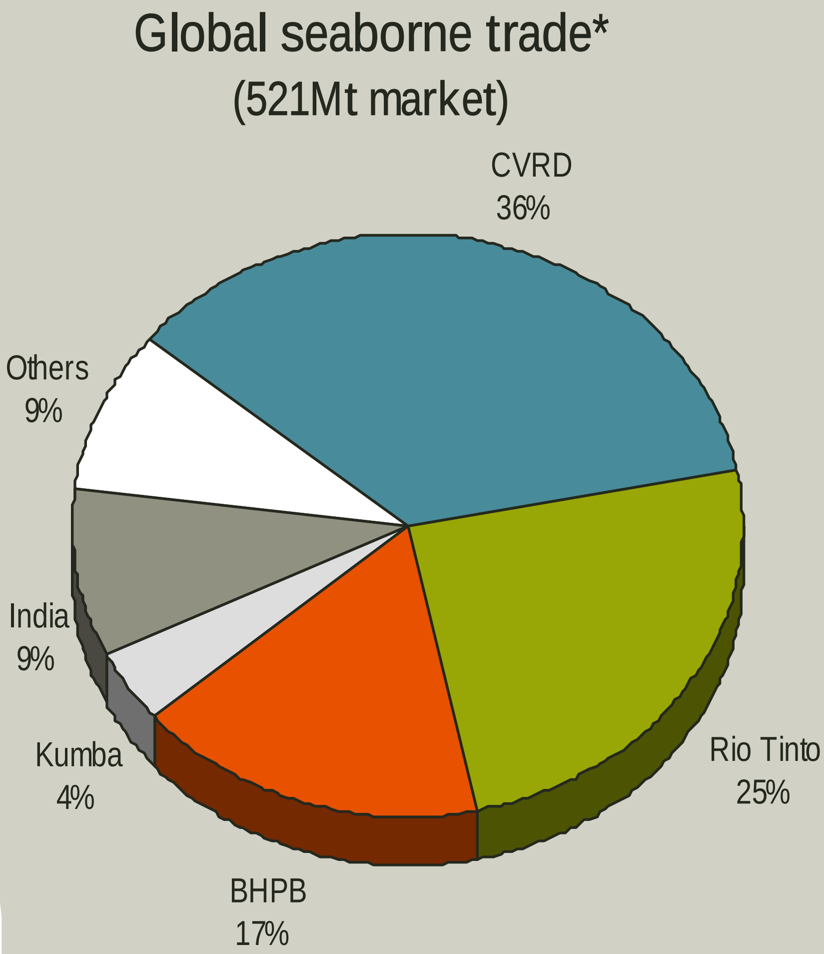
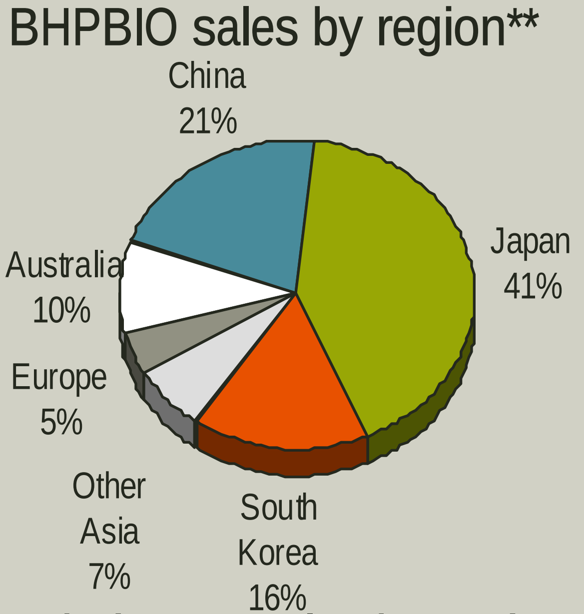
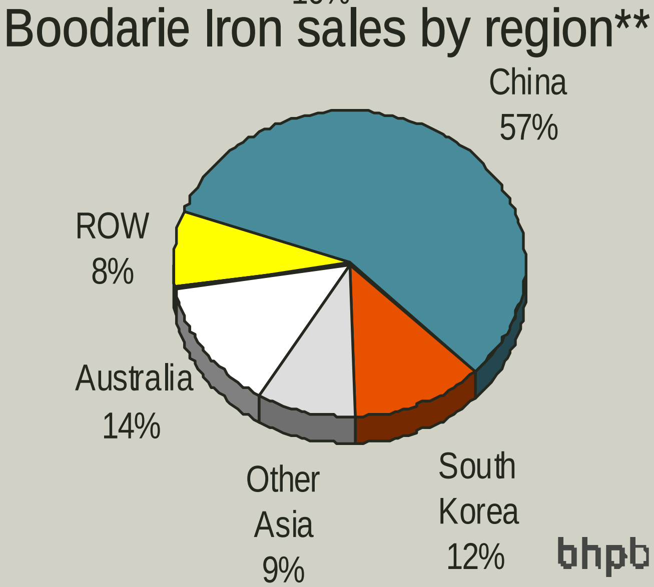
Global seaborne trade & BHP Billiton sales by region – Iron ore

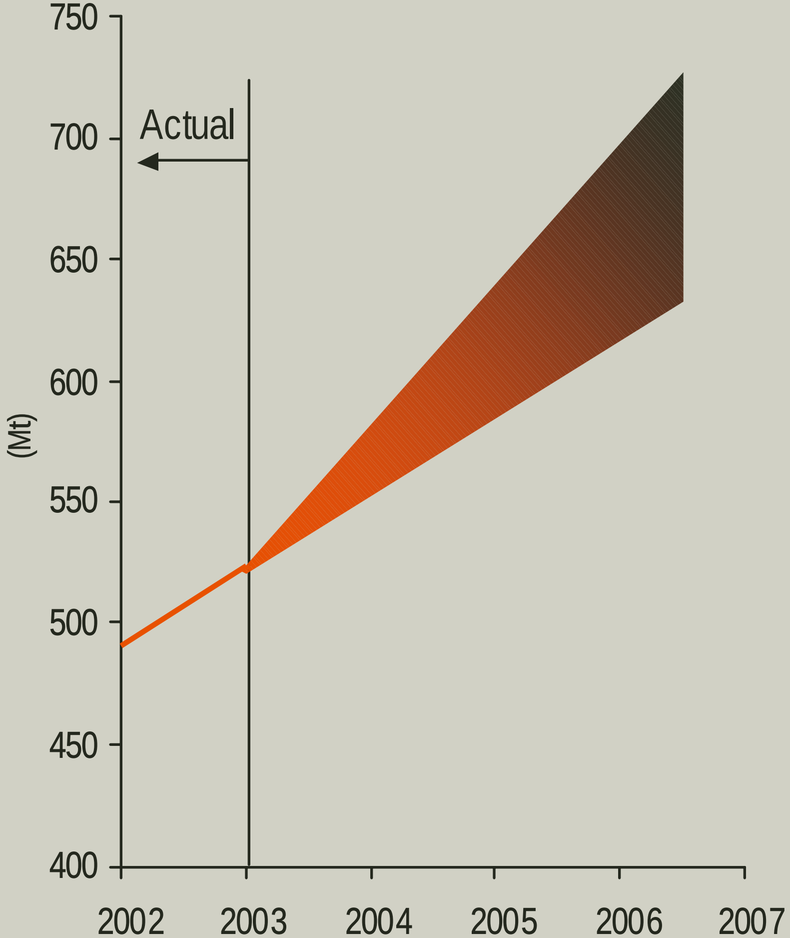


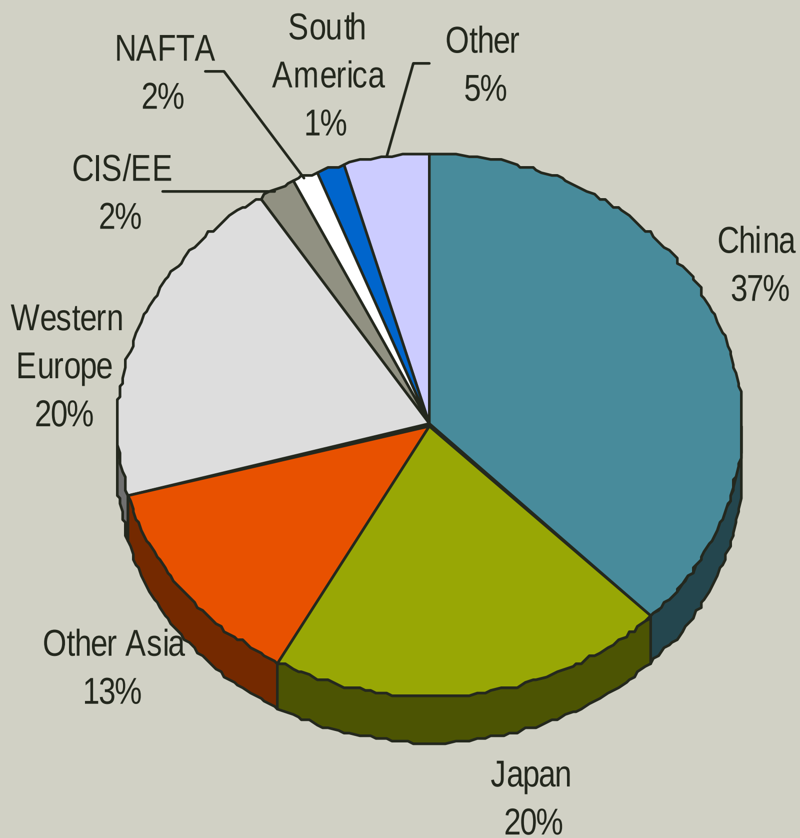




*CY2003 **FY2003

Seaborne demand outlook & market split to 2007 – Iron ore





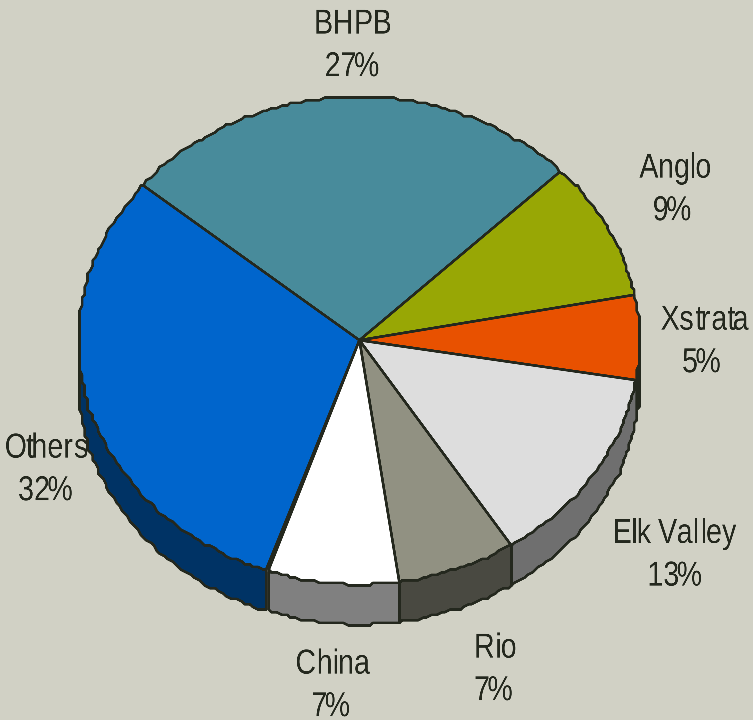
Seaborne market 2007

Current metallurgical coal market situation

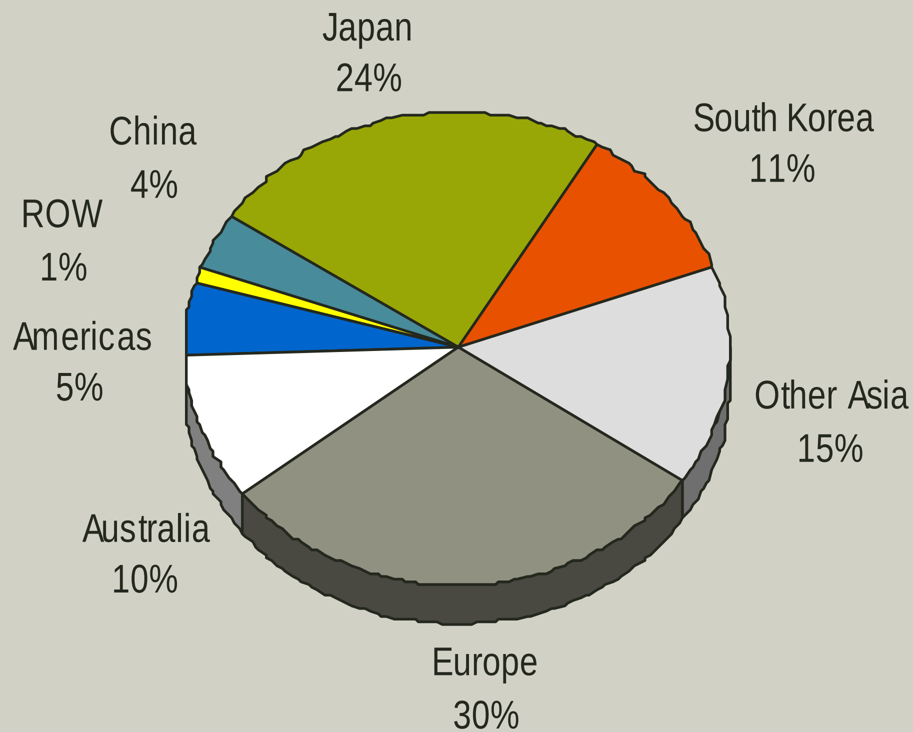
- Market conditions extremely tight; demand remains very high – major supply disruptions severely impacting supply
- Demand underpinned by strong BF based steel production led by China, India, Japan, Korea, Brazil
- Strong demand for coke & coking coal in China has moved them from exporter to importer and created intense coke shortages
- These conditions are predicted to continue in the medium term

Global seaborne trade & BHP Billiton sales by region – Metallurgical coal

Global seaborne trade*
(186Mt market)

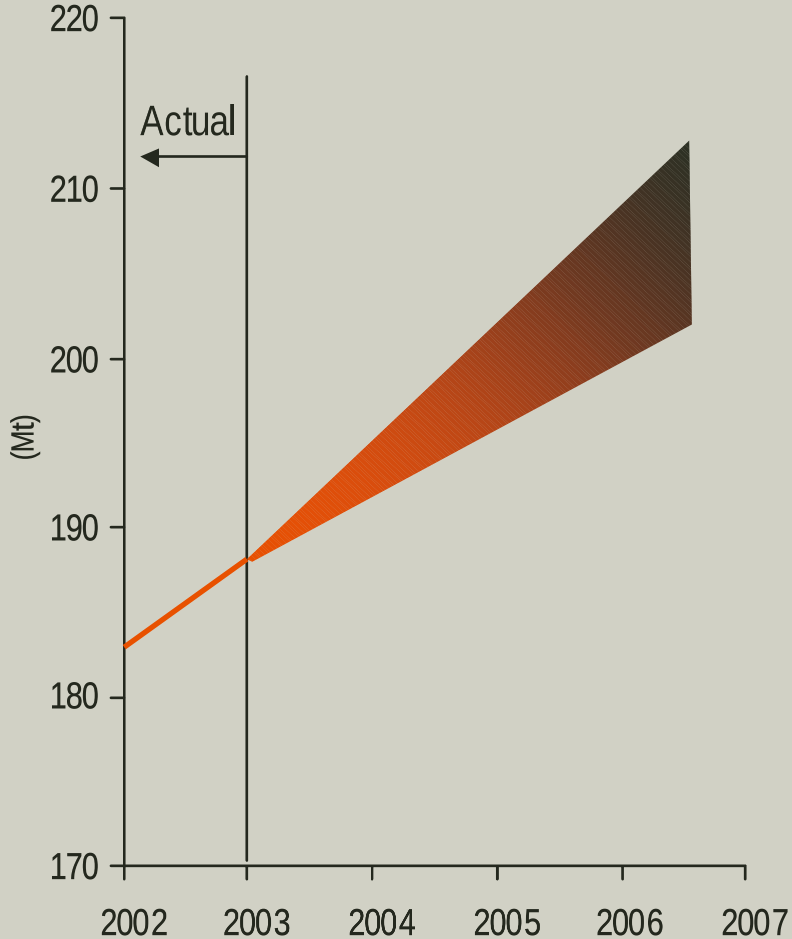


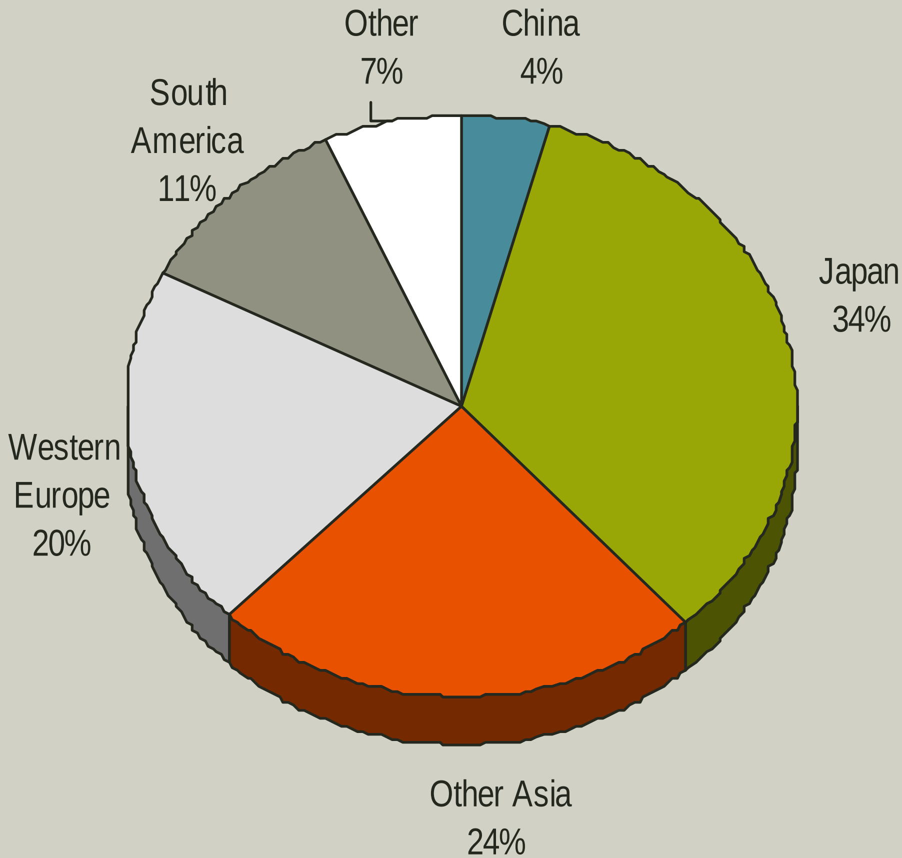
BHPB HCC sales by region**



Note: All based on controlled basis
*CY2003 **FY2003

Seaborne demand outlook & market split to 2007 – Metallurgical coal

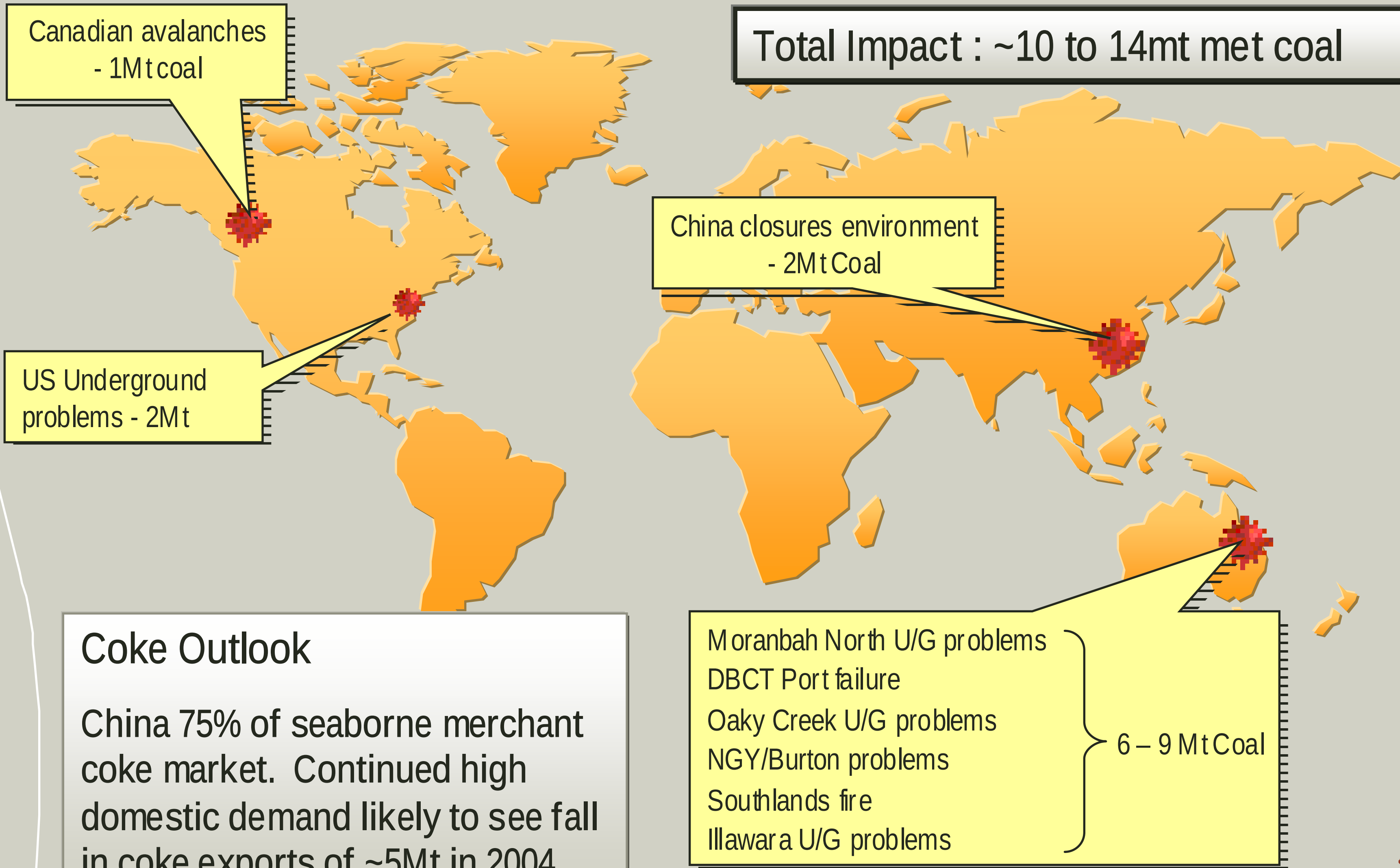




Seaborne market 2007

Coal supply disruptions late 2003 - 2004

Total Impact : ~10 to 14mt met coal



Coke Outlook

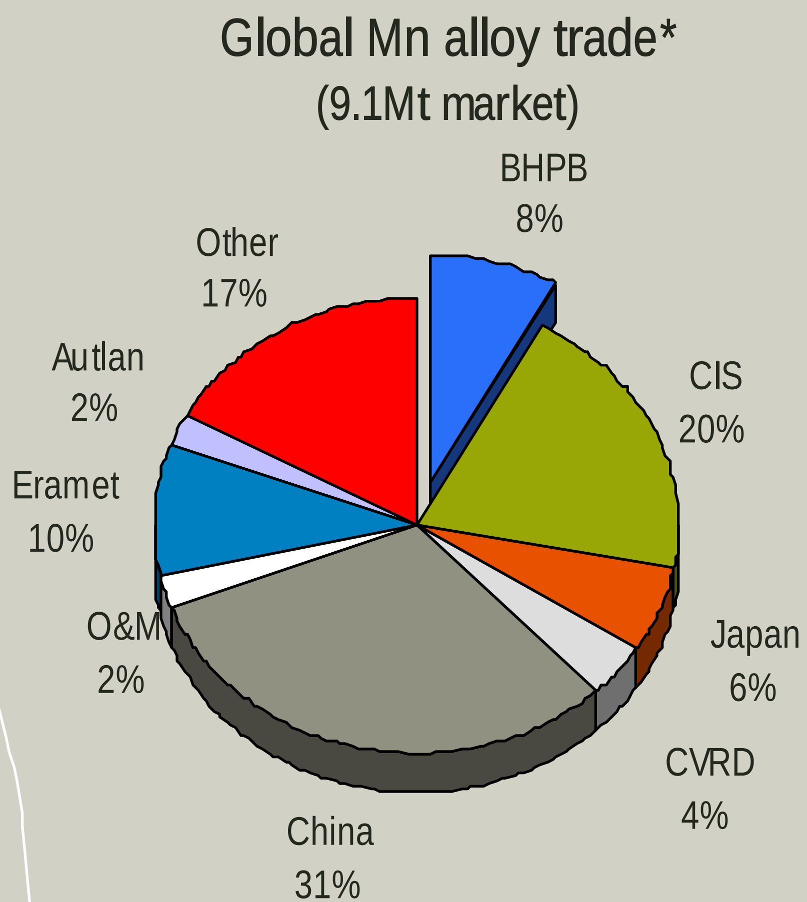
China 75% of seaborne merchant coke market. Continued high domestic demand likely to see fall in coke exports of ~5Mt in 2004

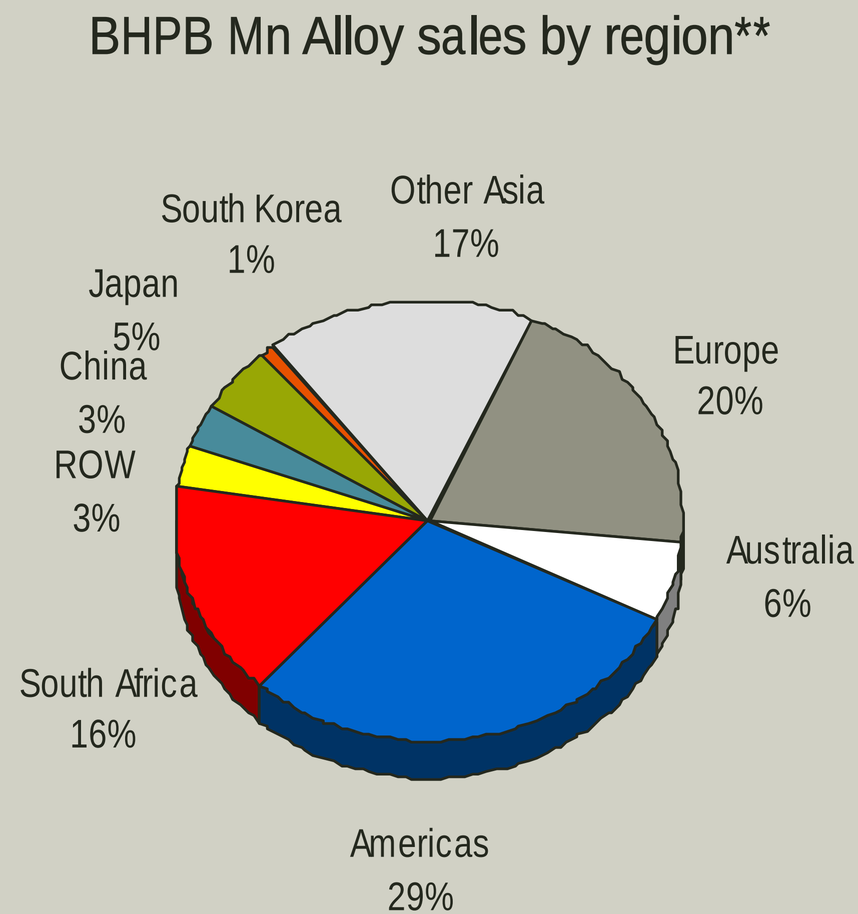
100% nominal production capacity

Current manganese ore/alloy market situation

- Market conditions very robust; alloy and ore demand remains high
- Demand underpinned by very strong Mn alloy demand in China, leading to major boost in imports of high and low grade ores
- Production problems in China, power and coke shortages, have seen demand and supply tighten leading to large, rapid price rises for alloys
- Sustained strong Chinese steel production, and global recovery predicted to see continued high demand and pricing
- Suppliers able to raise output to meet demand. Longer term question of Chinese domestic Mn ore industry - under investigation

Global trade & BHP Billiton sales by region – Manganese alloy

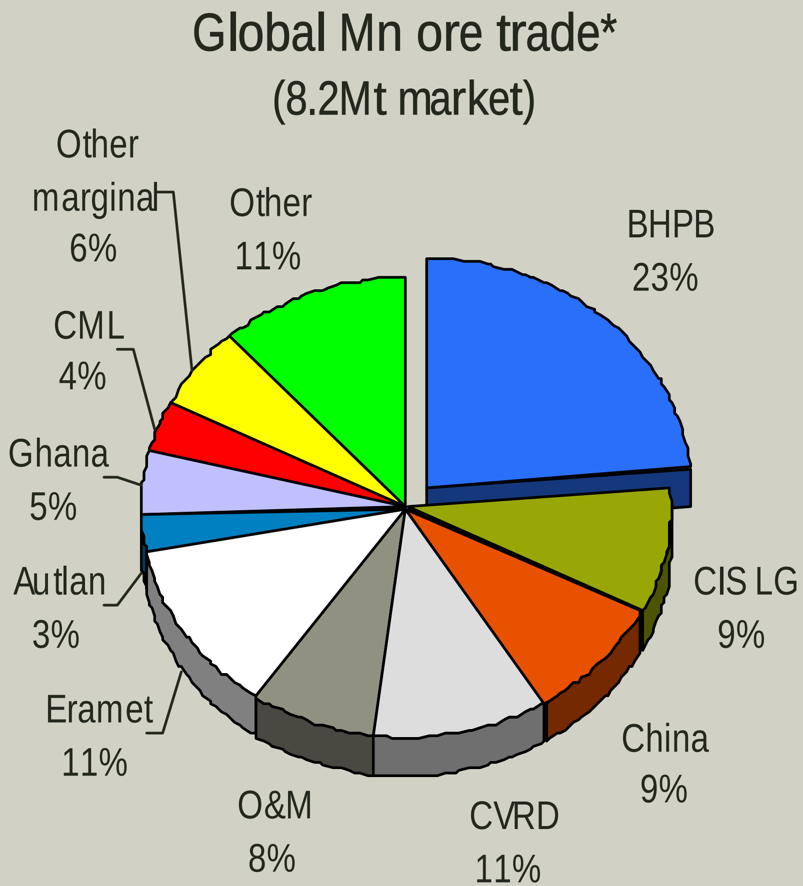


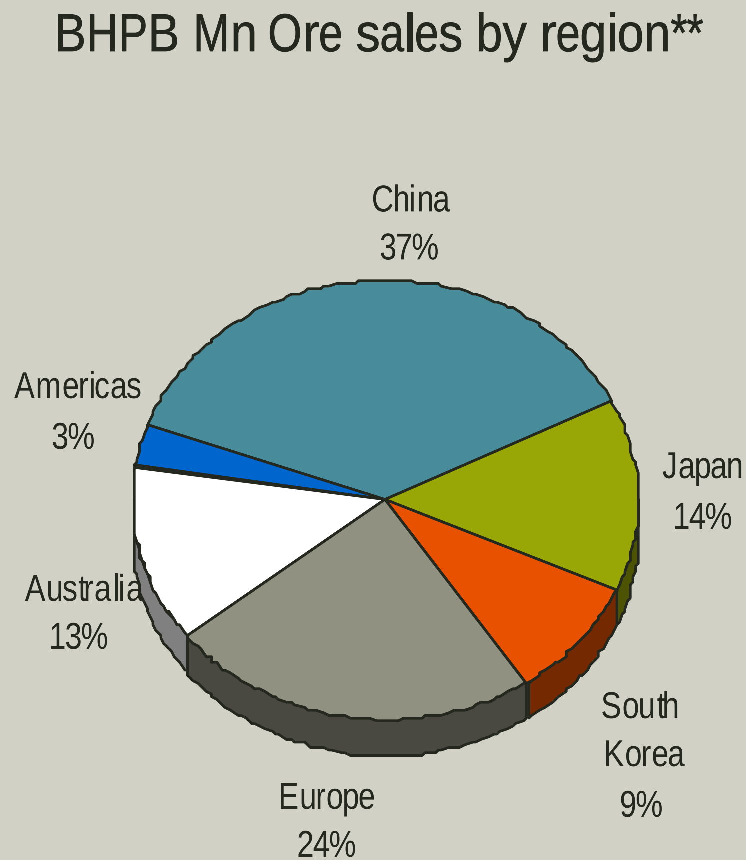


-Includes China JV's
*CY2003 **FY2003
Source: IMnI/ Samancor

Expressed as Mn units

Global trade & BHP Billiton sales by region – Manganese ore

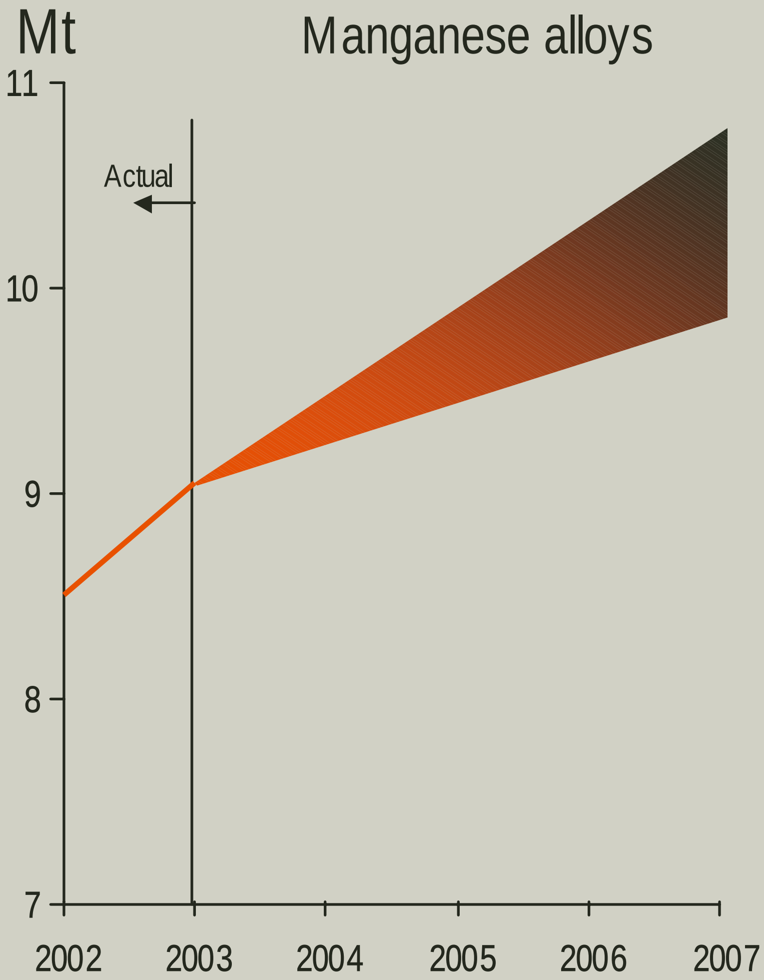


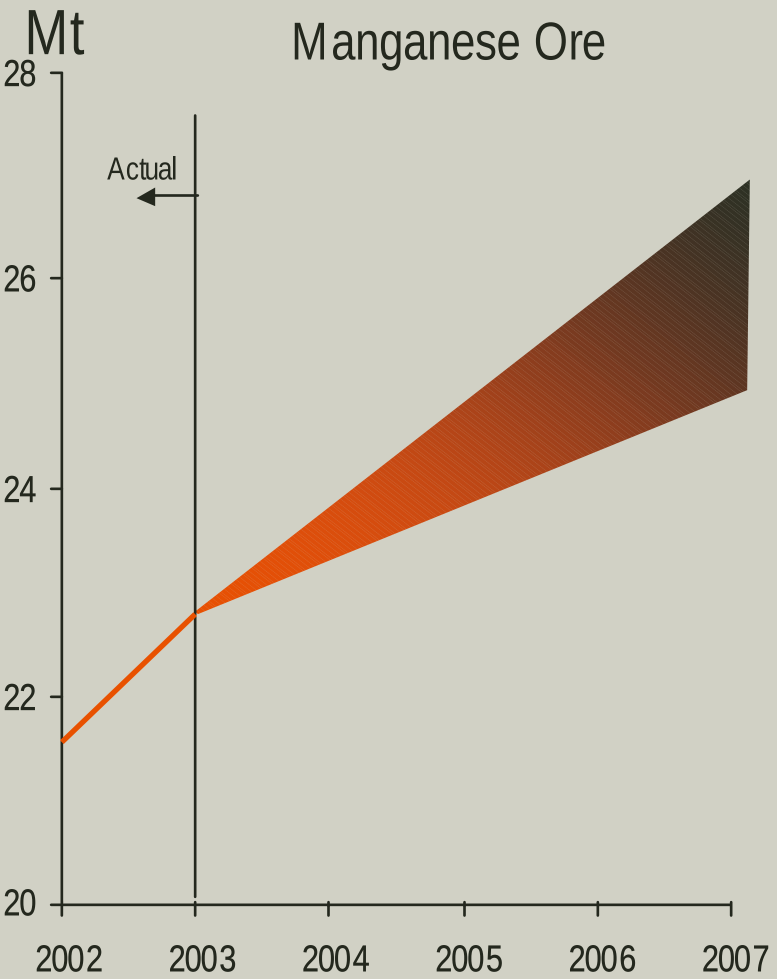


*CY2003 **FY2003
Source: IMnI/ Samancor

Expressed as Mn units

Global manganese ore and alloy demand outlook to 2007





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Market strategy

- Consistent focus on existing strategy
  - CSM approach to market
  - Strengthen regional franchises
  - Technical and logistical initiatives
  - Systems development
  - More innovative and creative
- Use strength of current market to position for the future
  - Improve contractual position
  - Capture the growth
  - Manage product quality
  - Address price relativities

Summary

- Market situation for CSM products very positive – very high steel output means demand strong across entire CSM product range, led by Asia
- Steel industry growing and more profitable
- Outlook for sustained strong demand for all CSM products
- Consistent focus on market strategy and actively use current situation to strengthen customer relationships and market position

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High Value Incremental Growth - Underpinned by Outstanding Assets

Graeme Hunt	President BHPB Iron Ore & Boodarie Iron
Dave Murray	CEO BMA
Colin Bloomfield	President Illawarra Coal
Peter Beaven	VP & CDO

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WA Iron Ore – Growing to meet market demand

Producing at record rates to meet unprecedented demand

- Production records broken regularly, achieved from existing asset base
- Well positioned now to capitalise on the capacity available from the Area C and PACE investments
- Achieving best ever costs and other key performance metrics
- OE is continuing to deliver with over 20 full time business improvement coaches driving incremental efficiency and effectiveness improvements
- Strategic review of the whole of the business and infrastructure model has identified further efficiencies that will be captured on an ongoing basis and through the next major expansion step

WA Iron Ore – Growing to meet market demand

Low cost, low risk expansions

- Area C – Completed ahead of schedule & under budget in October 03
- PACE – Completed ahead of schedule and on budget in February 04
- Accelerated expansion to 100Mtpa - Ahead of schedule & on budget
- RGP to 110Mtpa - Ahead of schedule and on budget

Platforms to ensure long term success

- Feasibility Study to 145Mtpa approved, focus on capacity and efficiency
- Wheelarra JV announced in March 04

*All figures are quoted on 100% basis

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Samarco - A world-leading pellet producer

Producing to meet unprecedented demand

- 45% increase in sales since 1998
- Pellet consumption expected to continue increasing – driven by Middle East & China
- High quality product

Low cost, low risk expansions

- Future expansion options identified in line with market demand

Queensland Coal – Growth options to meet increasing demand

Producing to meet unprecedented demand

- Mines and port operating in upper range of capacities
- Record Hay Point Port throughput
- OE is continuing to deliver with over 12 full time business improvement coaches and 117 registered projects underway

Challenges

- Supporting existing customers while expanding customer base

Queensland Coal – Growth options to meet increasing demand

Low cost, low risk expansions

- Broadmeadow Underground – On time & on budget, 3.6Mtpa
- BMA expansion options being considered – Additional 5Mtpa capacity
- De-bottlenecking – Saraji / Peak Downs
- Additional stripping at most open cut operations
- Dalrymple Bay – 3Mtpa additional capacity secured
- Queensland Rail – 6Mtpa additional capacity secured
- New Blackwater Processing Plant underway
- Exploring further brownfield expansion options

*All figures are quoted on 100% basis

Illawarra Coal – Growing to meet unprecedented demand

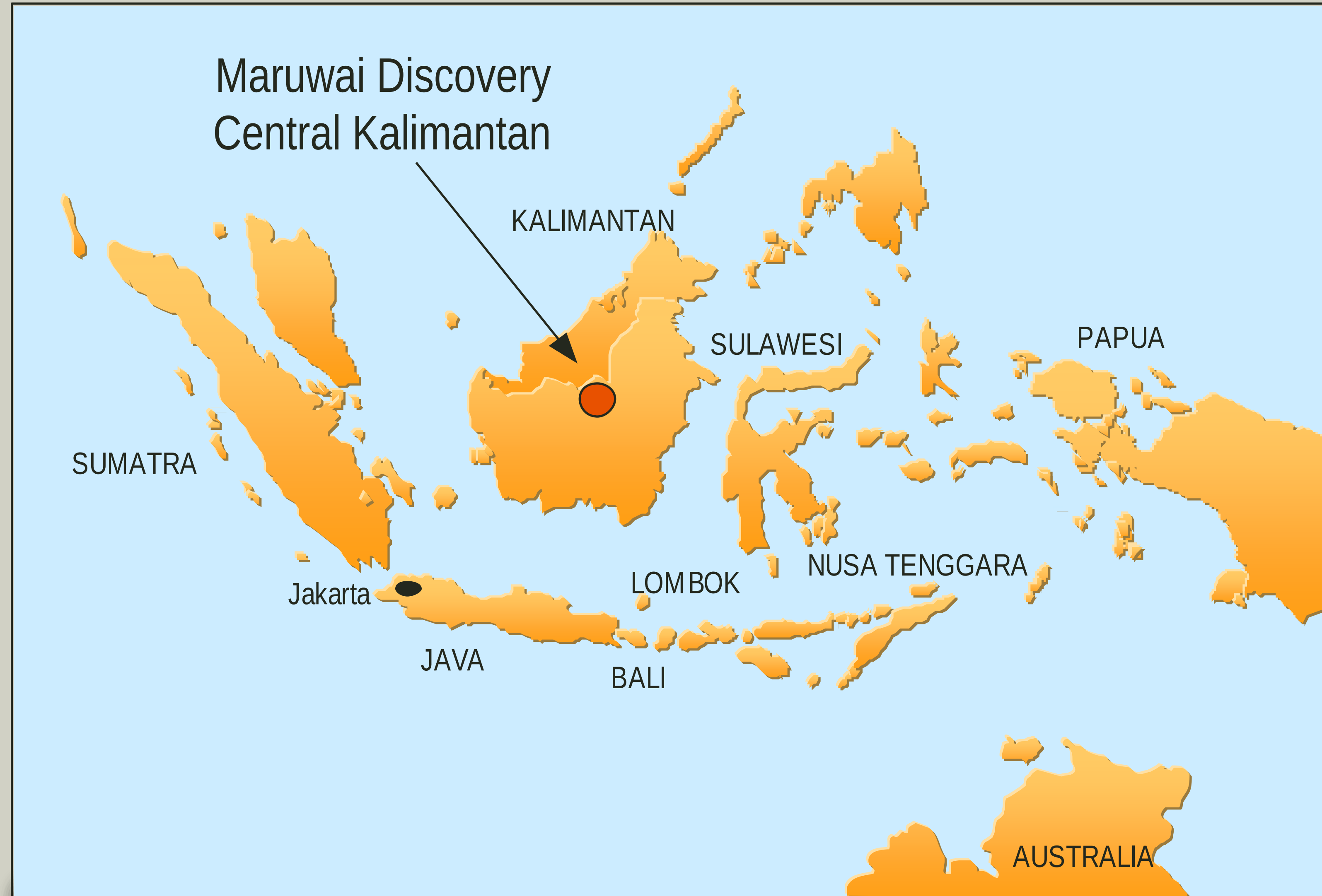
Low cost, low risk expansions

- Dendrobium on schedule and budget
- Appin coal clearance upgrade underway
- West Cliff longwall on site, tested and in production – July 04
- West Cliff CPP raw coal handling upgrade underway
- Mine debottlenecking projects being assessed
- Options to extend Elouera under consideration
- Additional port capacity available to support mine expansions

Challenges

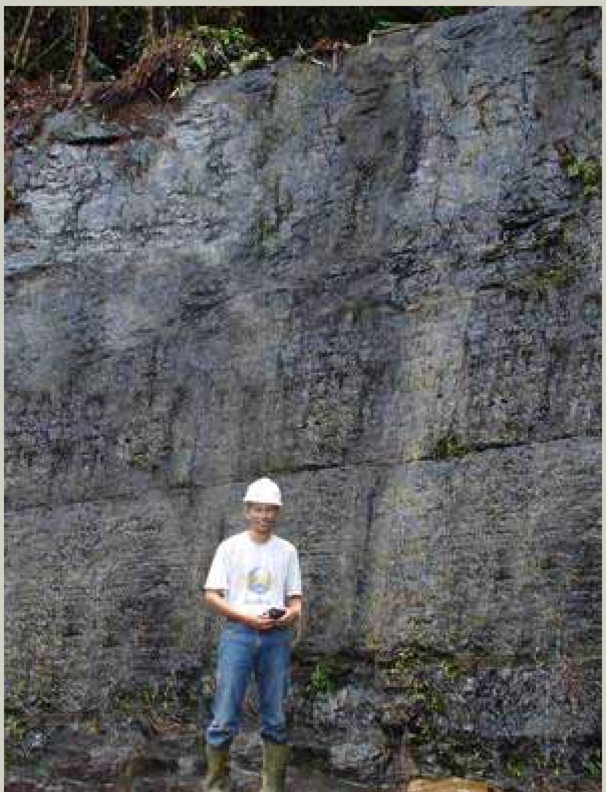
- West Cliff production issues

Maruwai discovery – Potential coking coal province



Maruwai discovery – Potential coking coal province

- Indonesian Coal Discovery, located in Central/East Kalimantan
- 100% BHP Billiton



- Potential Coking Coal province with range of coals
- Currently drilling in progress
- Sensitive area with some environmental and social issues
- Any development will be in full compliance with Indonesian law and BHP Billiton standards

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Manganese – Capturing market opportunities

Producing to meet unprecedented demand

- Operations running at record rates to capture market opportunities especially in China
- Reliable supplier of choice
- Operating Excellence continuing to deliver benefits
- Good HSEC progress
- Kotulong Project at Metalloys - Success story

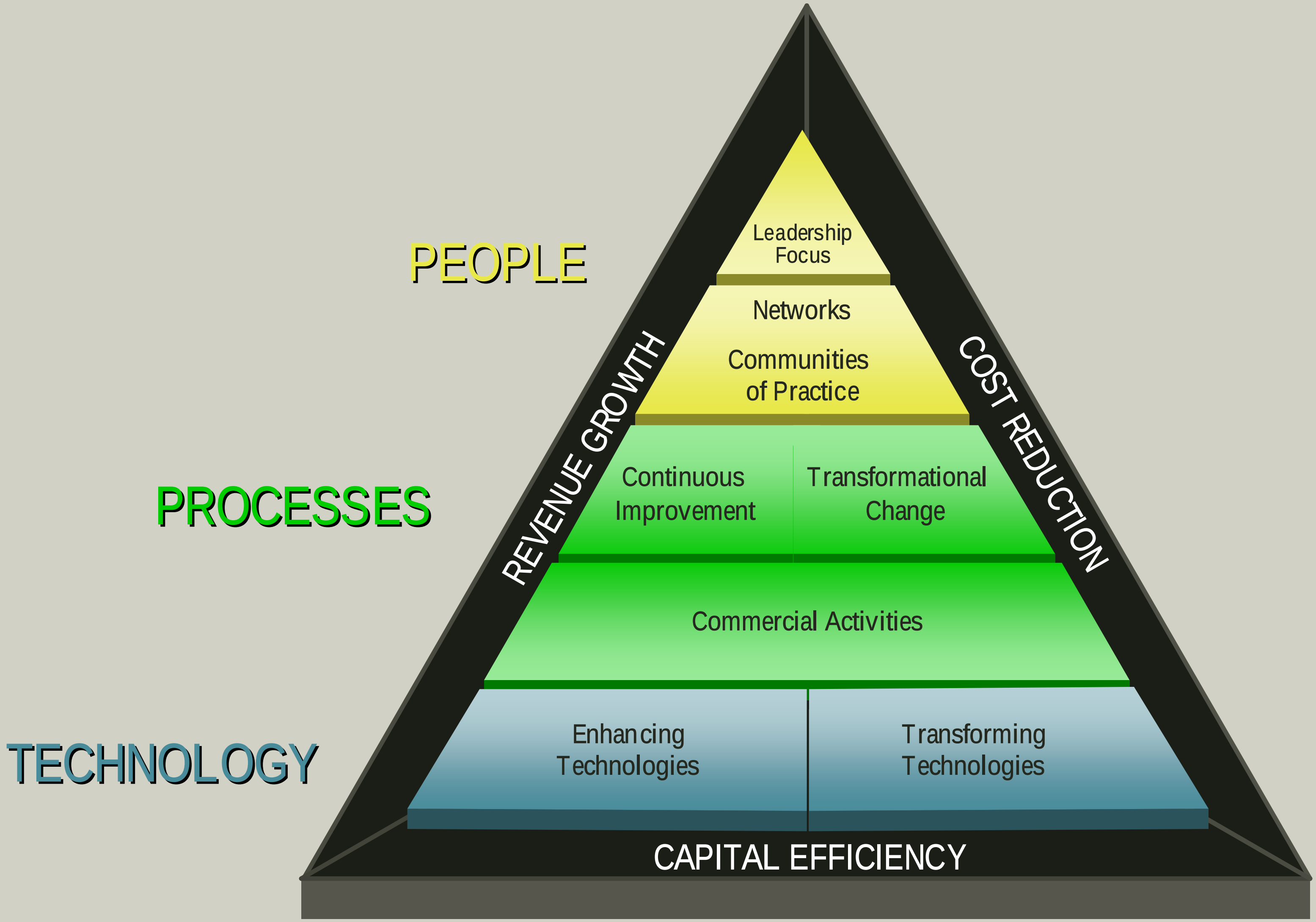
Low cost, low risk expansions

- Increased mine output at no/low additional capital cost

Challenges

- BEE in RSA

Our model for Operating Excellence



BHP Billiton Strategic Framework – CSM progress

Value Drivers	Performance
Outstanding Assets	- No fatalities or environmental incidents - Record sales volumes - First quartile costs & capital efficiency
Growth	- Area C completed ahead of schedule & under budget - PACE completed ahead of schedule & on budget - WAIO Accel Exp - ahead of schedule & on budget - RGP – 110Mtpa ahead of schedule & on budget - LTE – 145Mtpa Feasibility Study approved - Broadmeadow on schedule & on budget - BMA additional 5Mtpa initiated - Dendrobium on schedule & on budget - Maruwai exploration project
Customer-centric marketing	- Increased resources in Shanghai - CSM synergy value capture teams - New systems implemented

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Issues for CSM

- Maintaining supply to traditional customers while meeting growth ambitions
- Freight & Demurrage – Some impacts in FY04, however lower impact expected in FY05
- Illawarra Coal – West Cliff production
- Enterprise negotiations currently underway at all Australian coal operations

Conclusion

- Unprecedented demand is driving record production
- Low cost, low risk expansion activities underway
- Solid operational & financial performance underpinned by outstanding assets
- Continued focus on improvement and reliability
- Putting platforms in place to sustain our position over the longer term

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