

# BHP Billiton Carbon Steel Materials

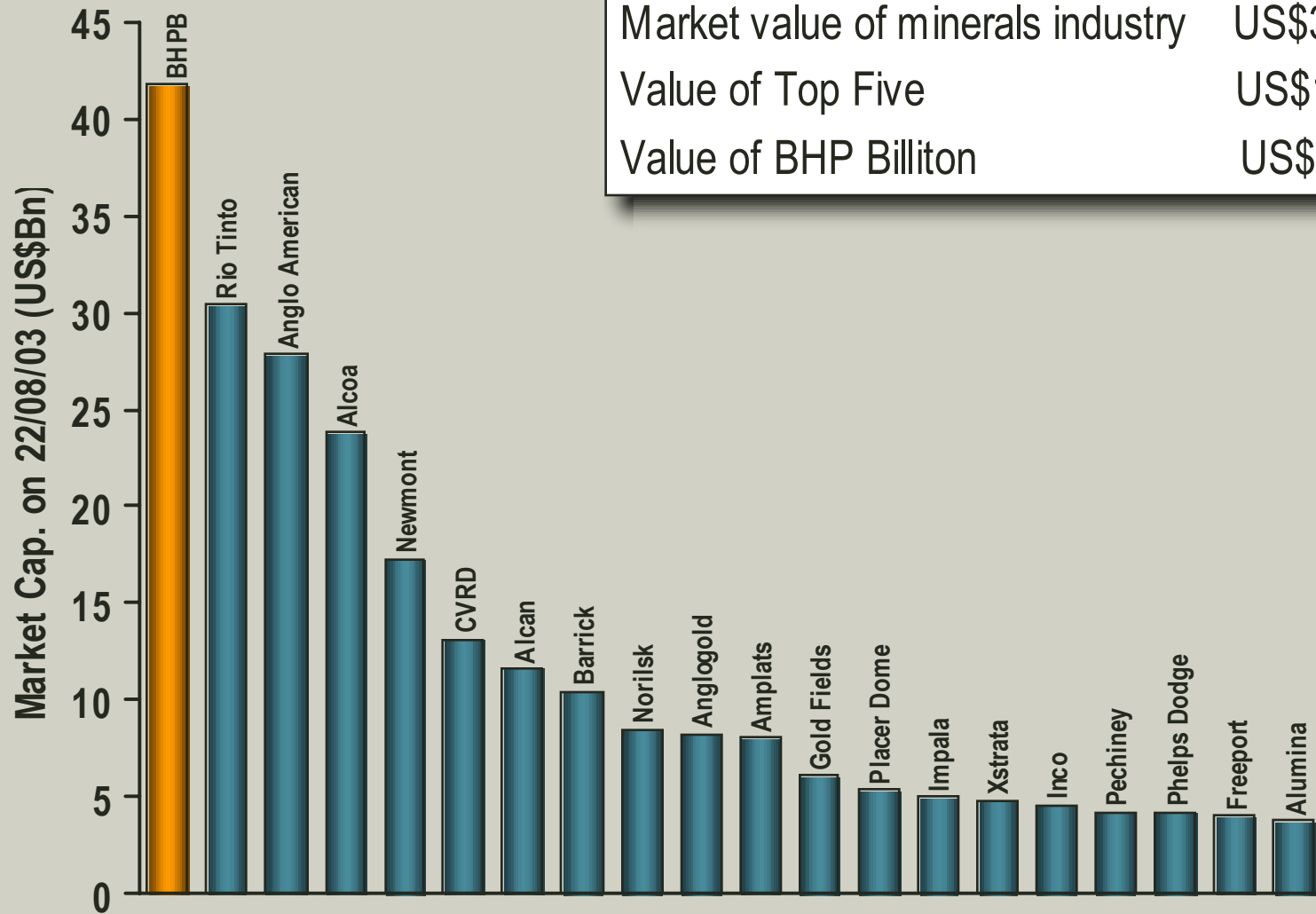
## Meeting the China Challenge

JP Morgan Mining & Metals Sydney Conference  
17 November 2003

R.W. Kirkby  
President Carbon Steel Materials



# BHP Billiton - The largest company in a consolidating sector



Market value of minerals industry	US\$306 bn
Value of Top Five	US\$141 bn
Value of BHP Billiton	US\$ 42 bn

Source: Datastream

# A global footprint

Petroleum



Aluminium



Base Metals



Carbon Steel Materials



Diamonds & Spec Prod



Energy Coal



Stainless Steel Materials



A large industrial crane is shown in silhouette, lifting a heavy load against a dramatic sunset sky. The crane's long jib extends across the frame, and the sun is low on the horizon, creating a warm, orange glow. The background features a range of mountains under the colorful sky.

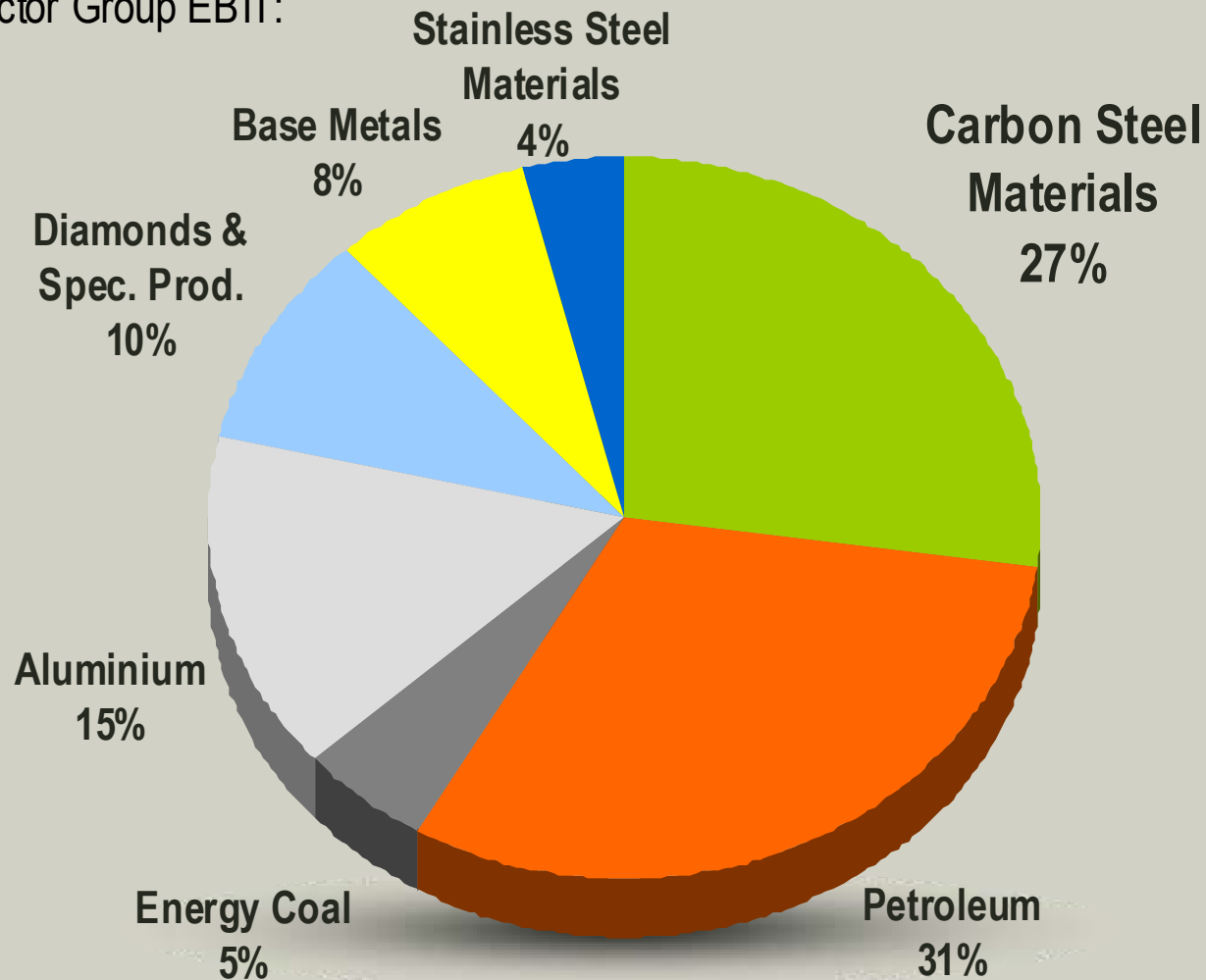
# **BHP Billiton Carbon Steel Materials**

# BHP Billiton Carbon Steel Materials

- The world's largest supplier of steelmaking raw materials
- Impressive portfolio of long-life, high-quality and low-cost iron ore, metallurgical coal and manganese assets
- World class supporting infrastructure
- Ranked number one in the seaborne supply of metallurgical coal and manganese and number three in iron ore

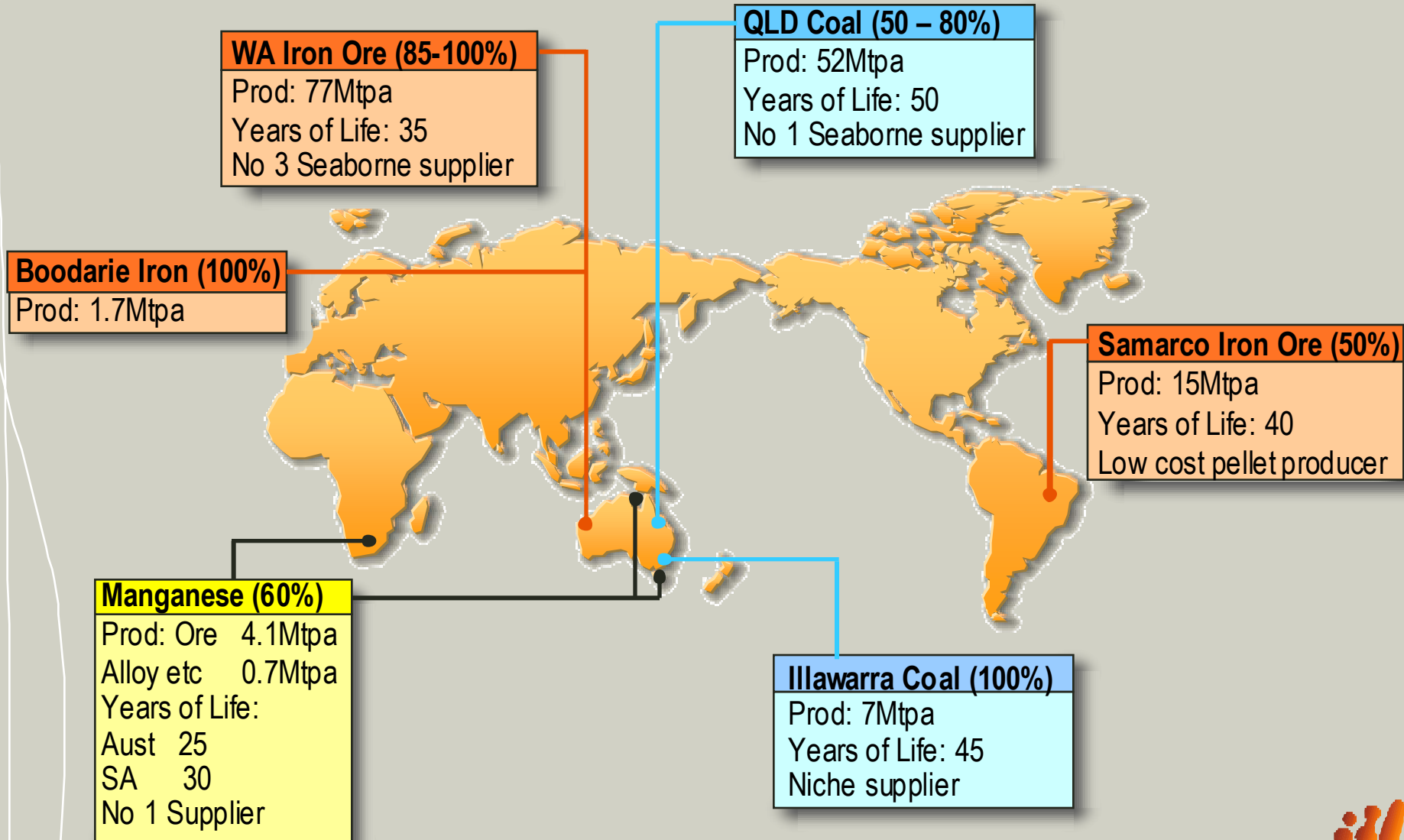
# Carbon Steel Materials – 27% of BHPB EBIT

Customer Sector Group EBIT:



Data for year ended 30 June 2003

# Carbon Steel Materials Assets



100% nominal production capacity



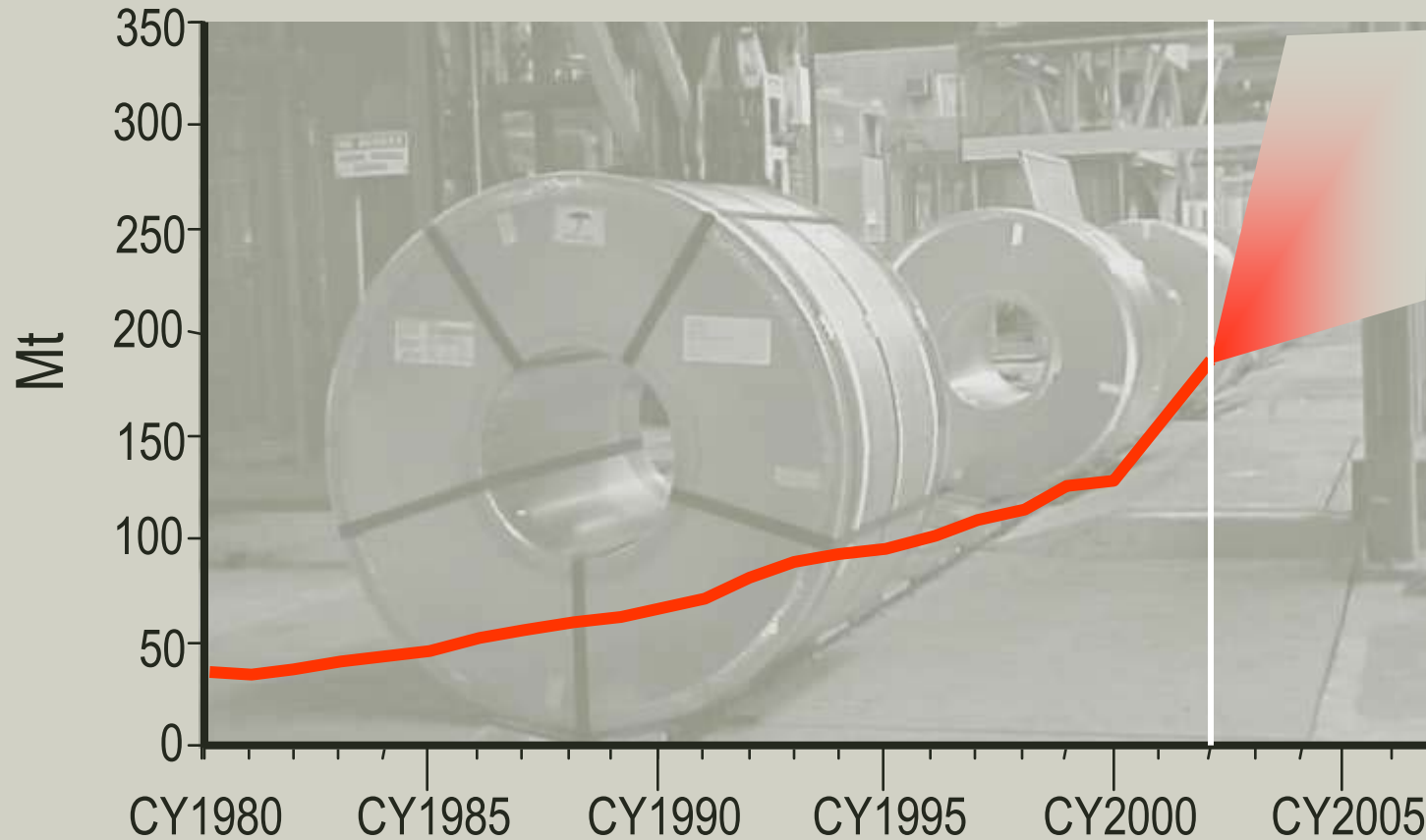
**China**

***A Key Opportunity For  
Carbon Steel Materials***

## China – A Key Opportunity For CSM

- Global steel production was >900Mt in 2002 – with China the driving force
- Over the past decade Chinese steel production has grown by 8.4% per annum – This rate has doubled since 2000
- China is now the world's number one producer of steel with production expected to exceed 210Mt in 2003

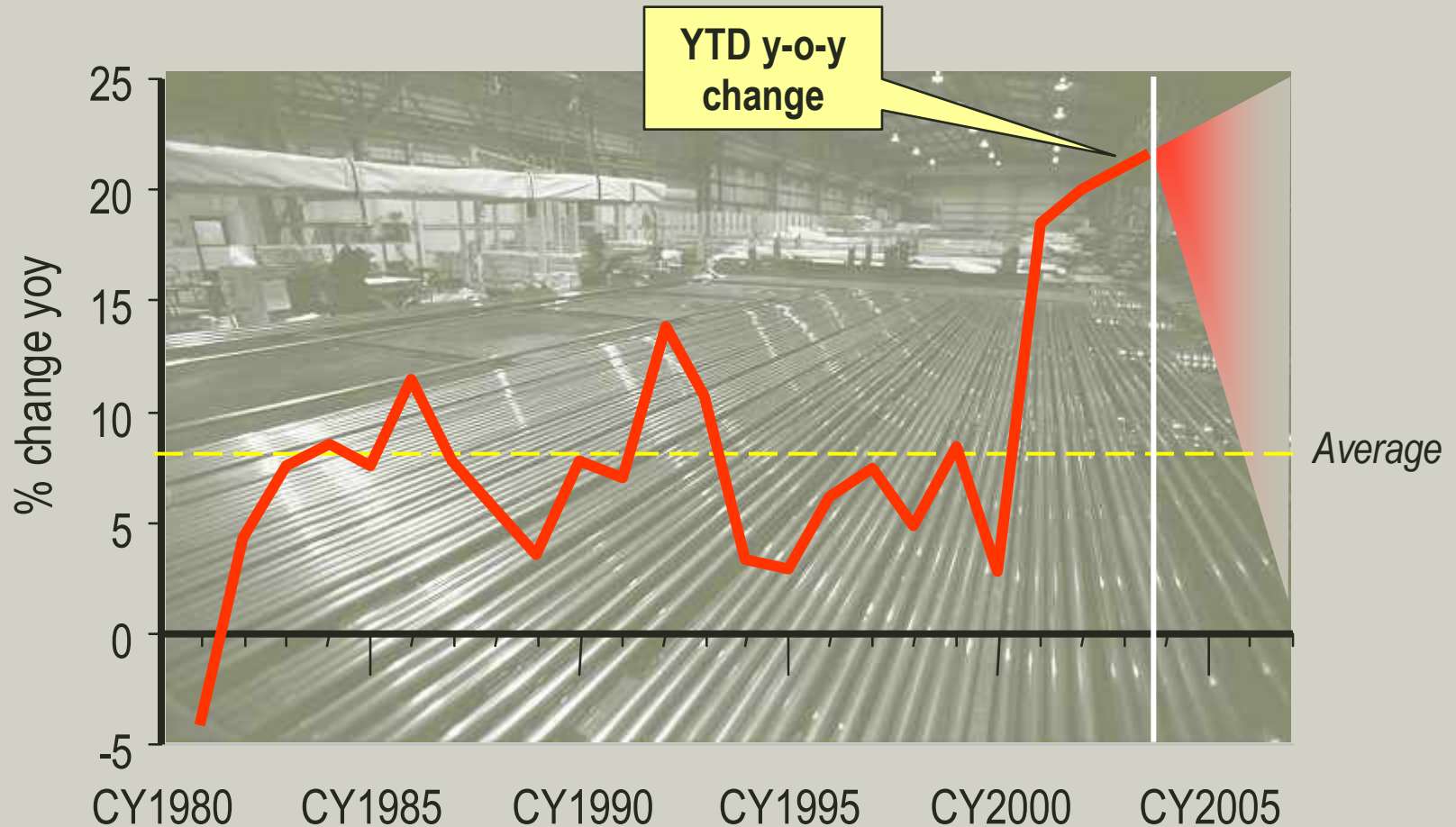
# Chinese Crude Steel Production



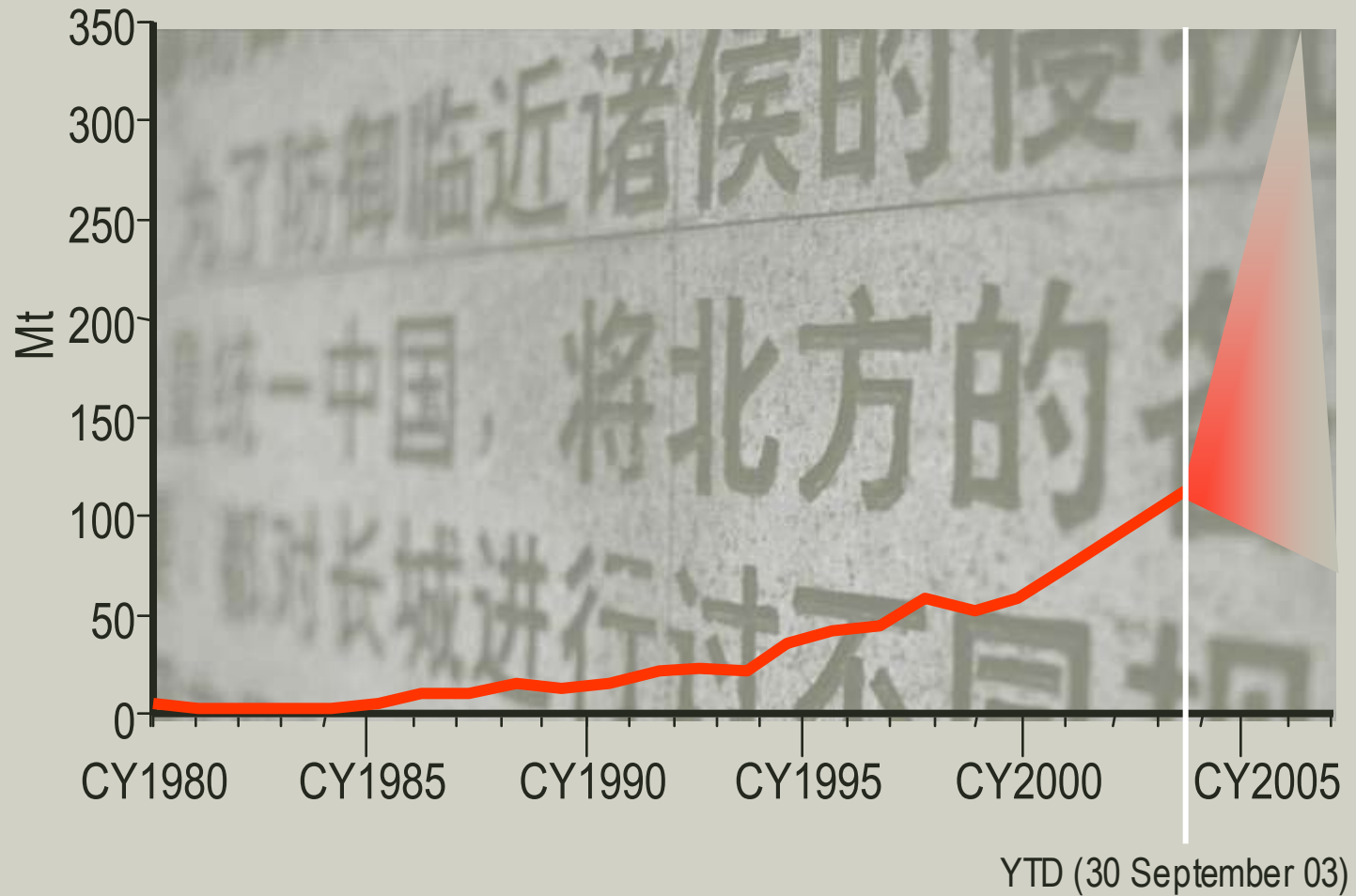
**Crude Steel Production CAGR**

CY82 - 92	CY92-02
8.1%	8.4%

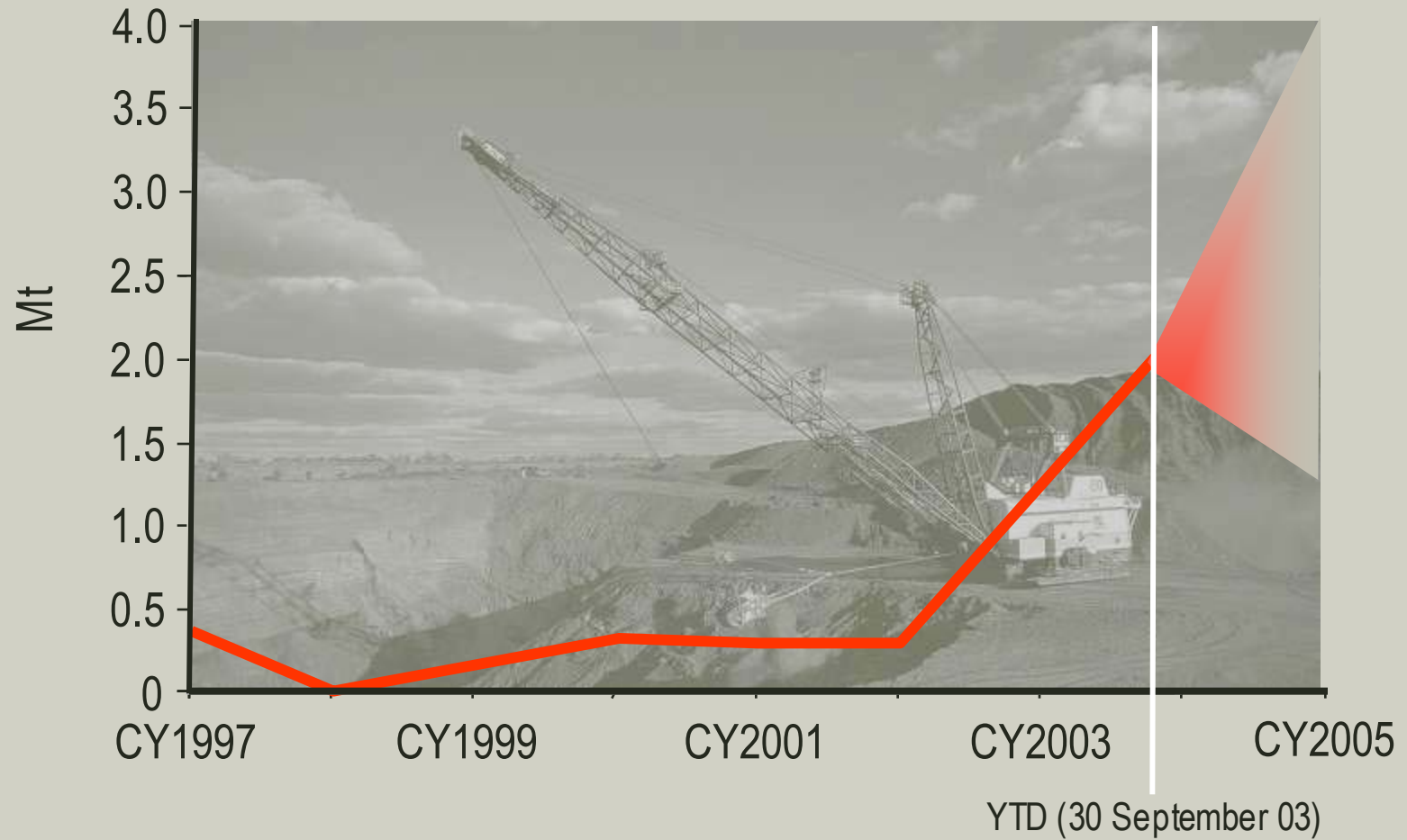
# Chinese Crude Steel Production - % Change YOY



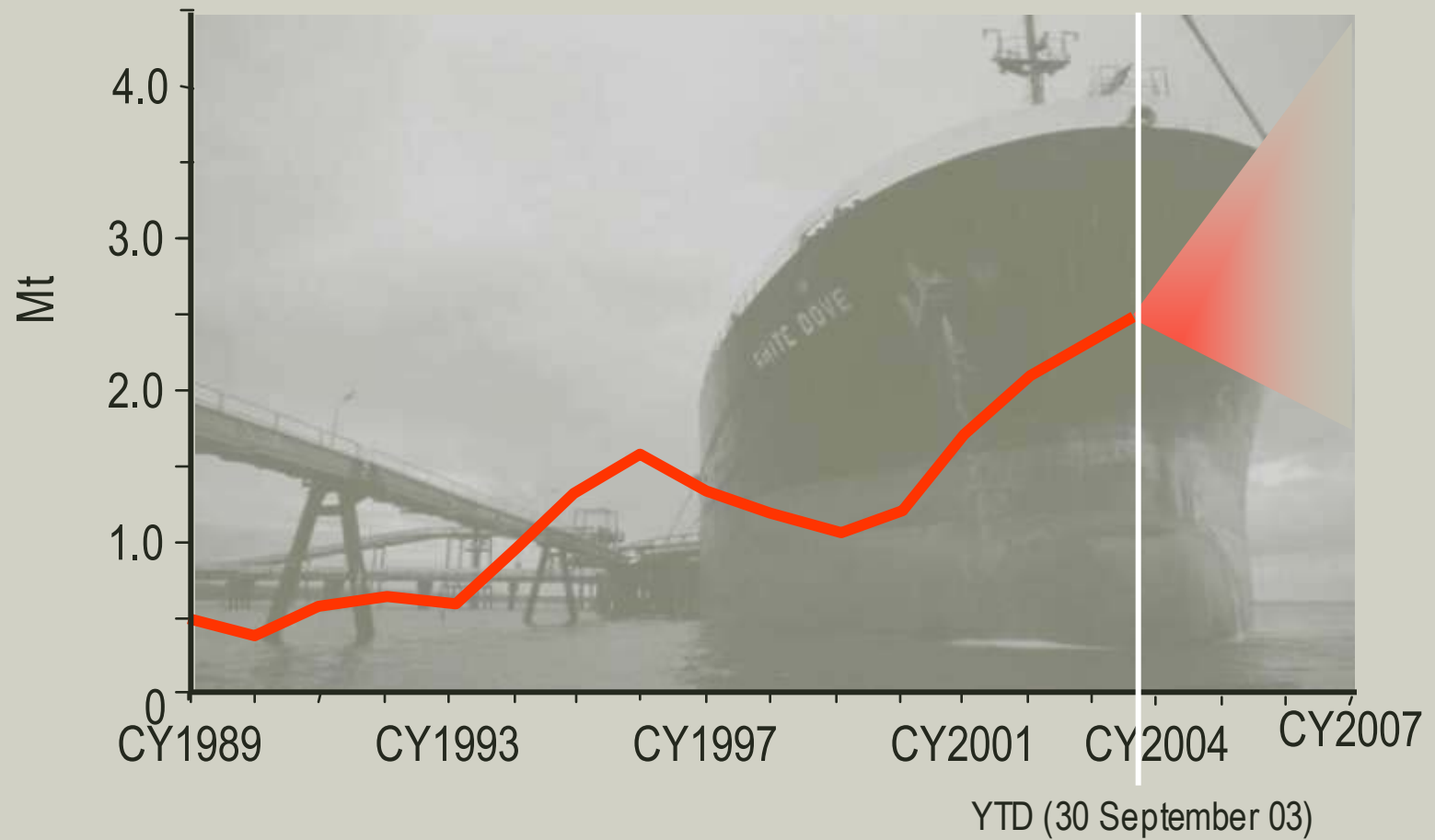
# Chinese Iron Ore Imports



# Chinese Metallurgical Coal Imports



# Chinese Manganese Ore Imports





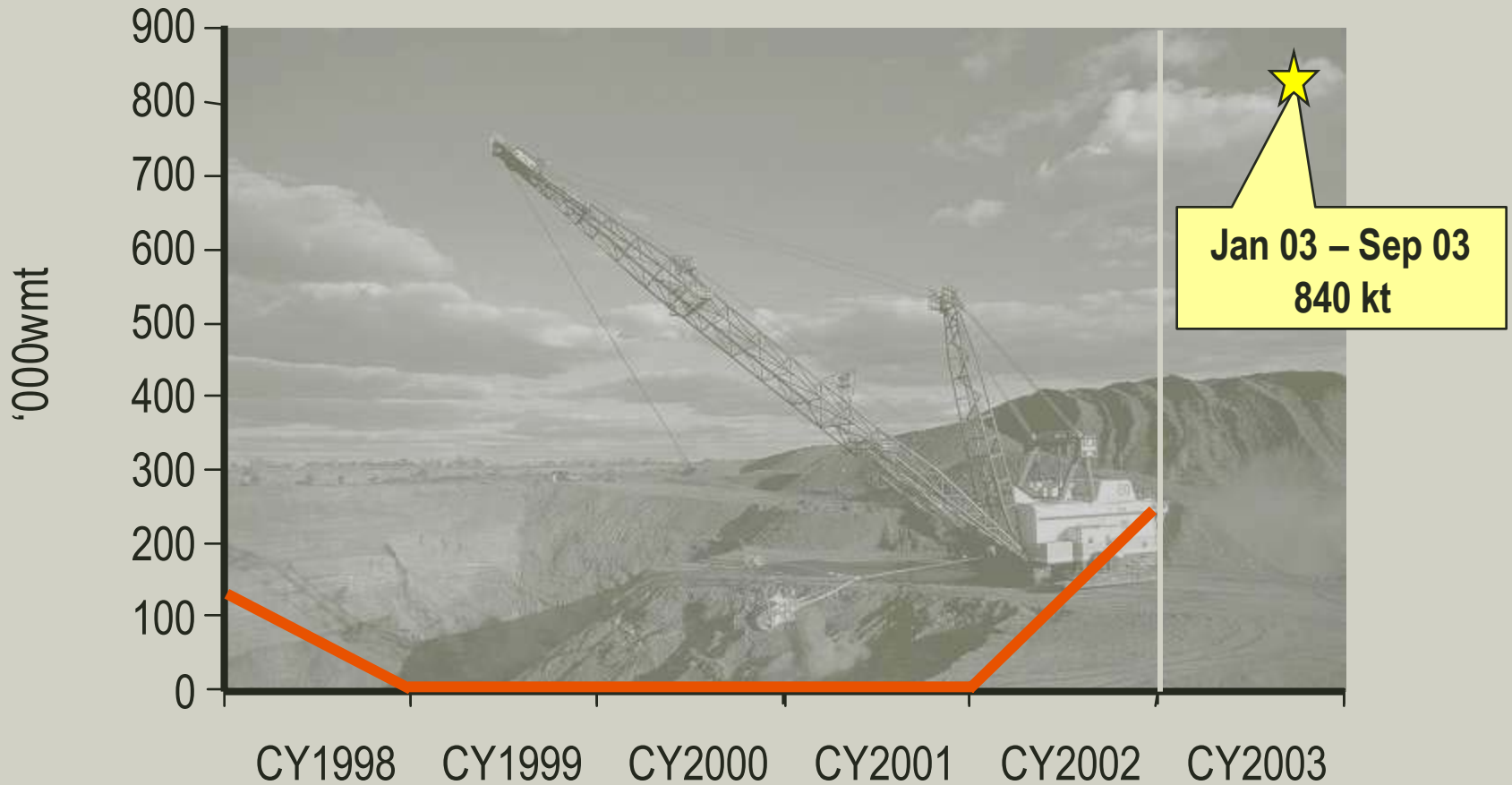
**China**

***Carbon Steel Materials  
Ready to Meet the Challenge***

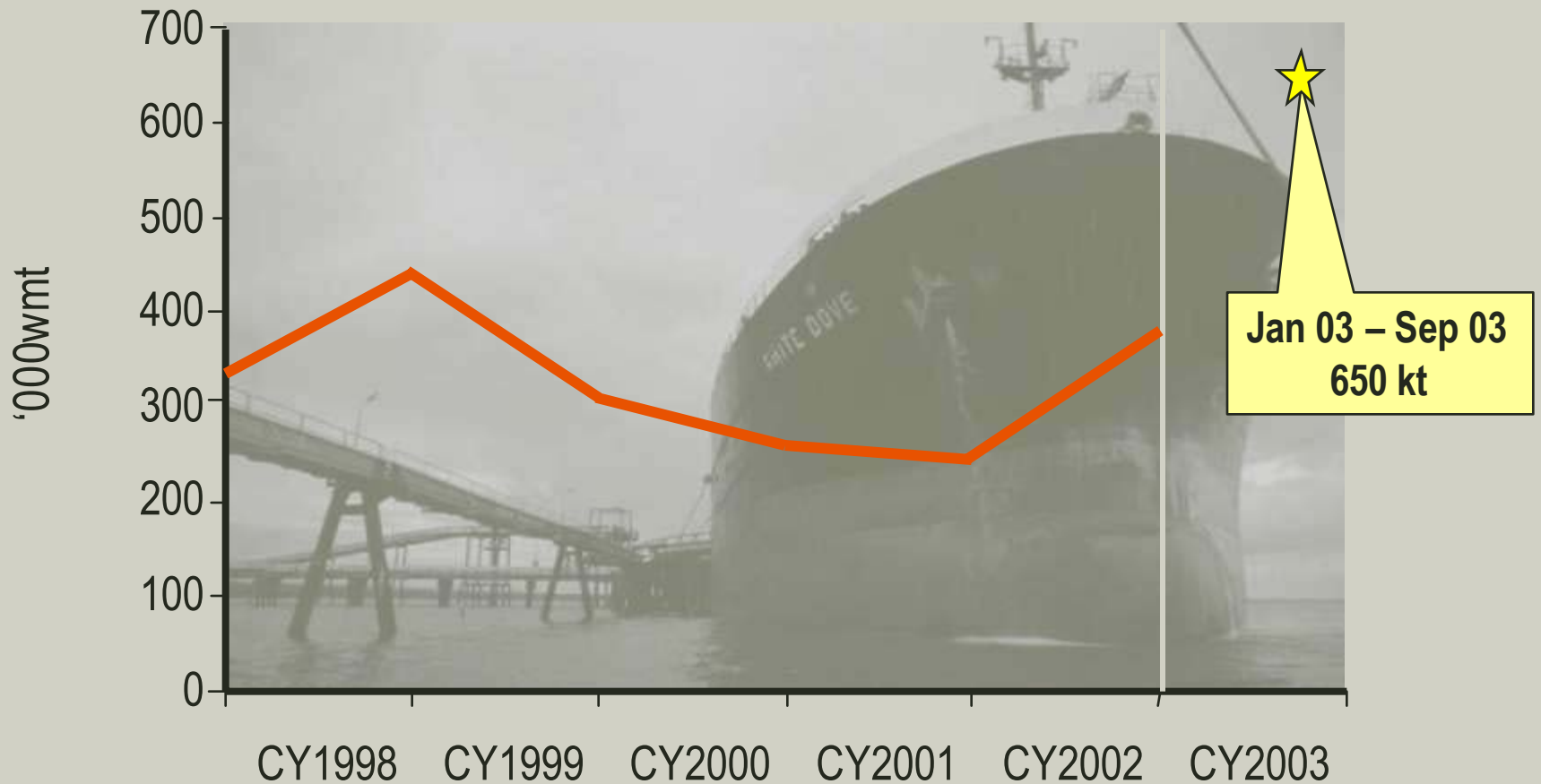
# BHP Billiton Exports to China – Iron Ore



# BHP Billiton Exports to China – Metallurgical Coal



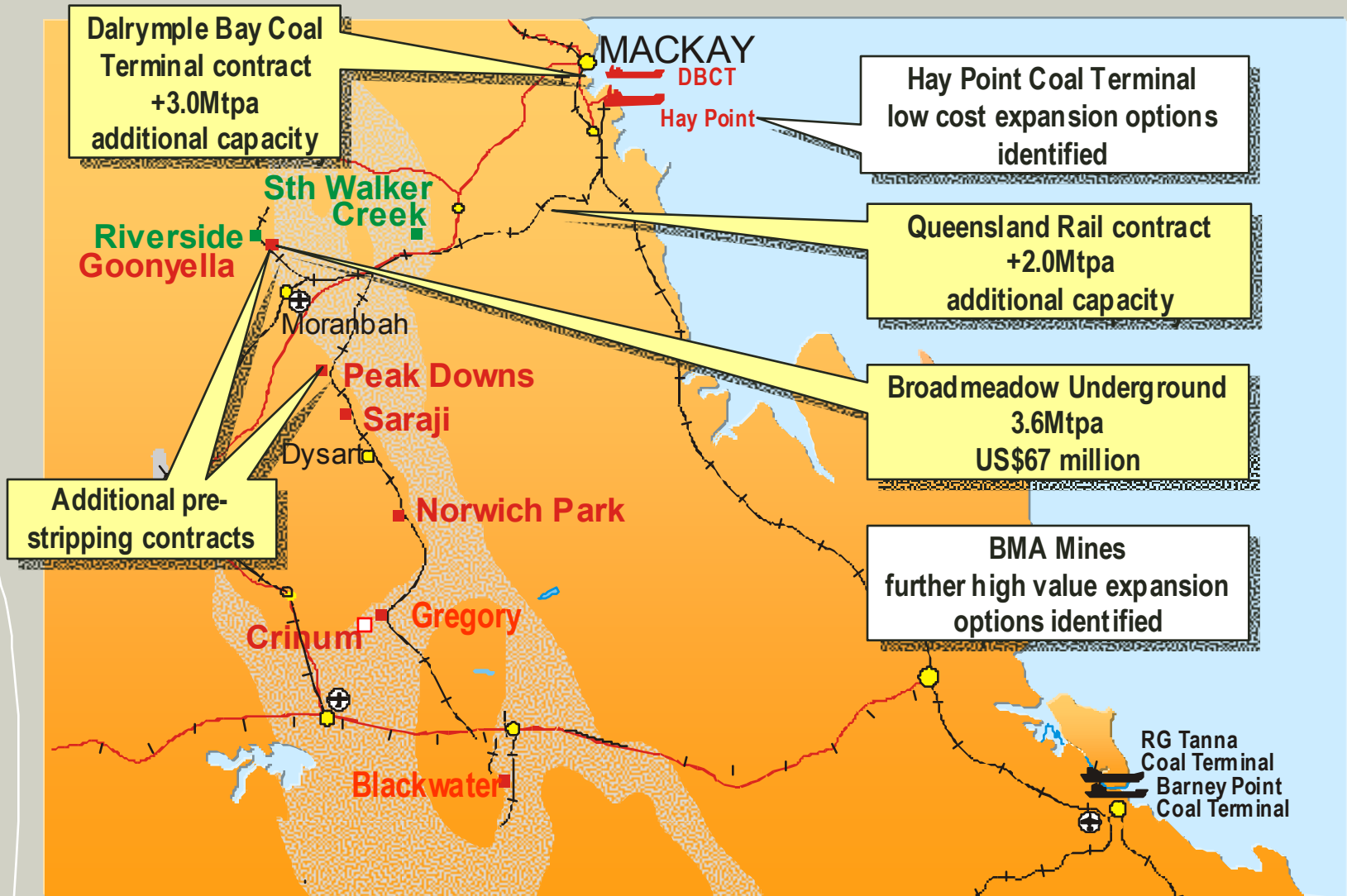
# BHP Billiton Exports to China – Manganese Ore



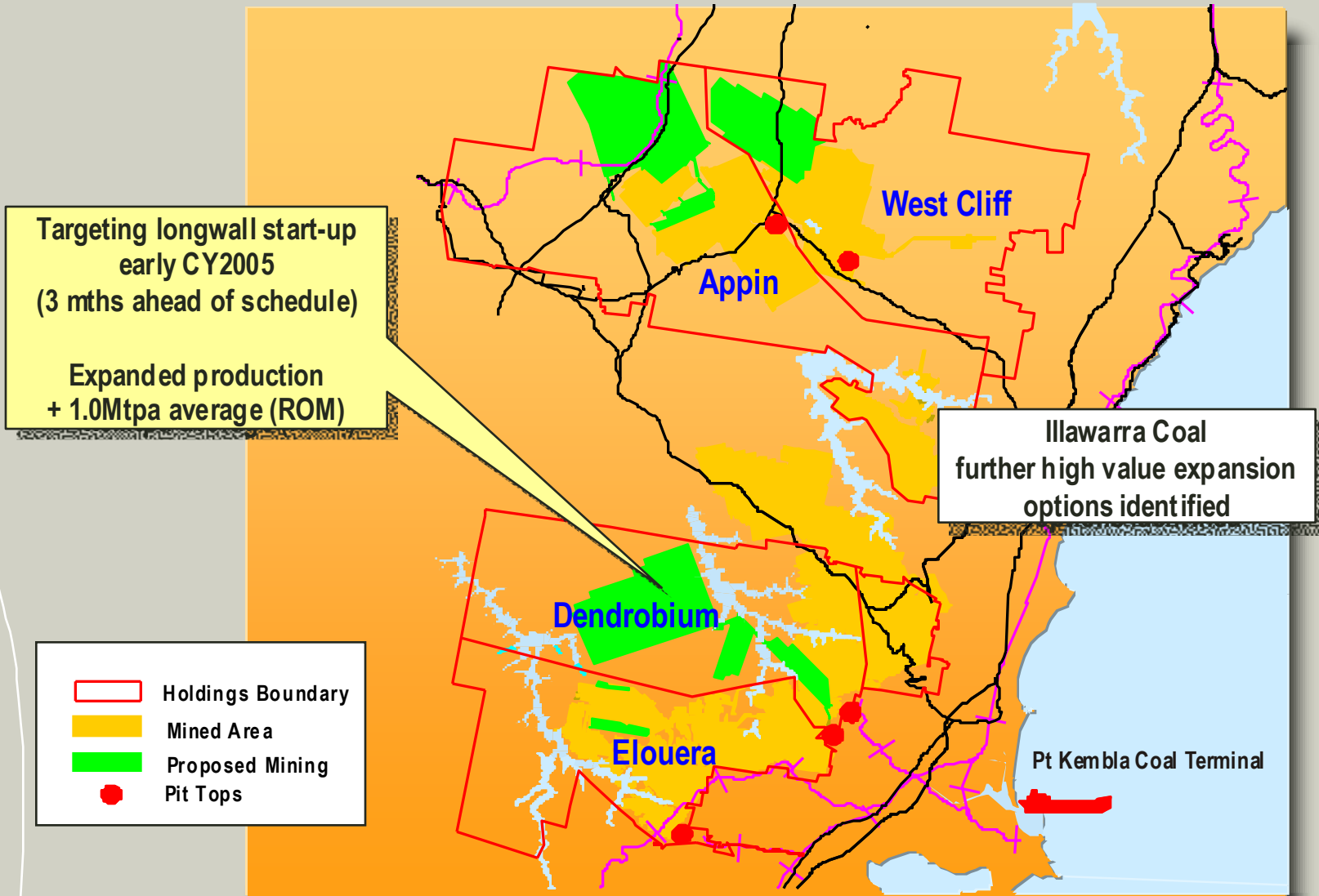
# CSM – Meeting the China Challenge

- China Impact on CSM
- High Value, Low Cost Expansions
- Customer-Focussed Marketing

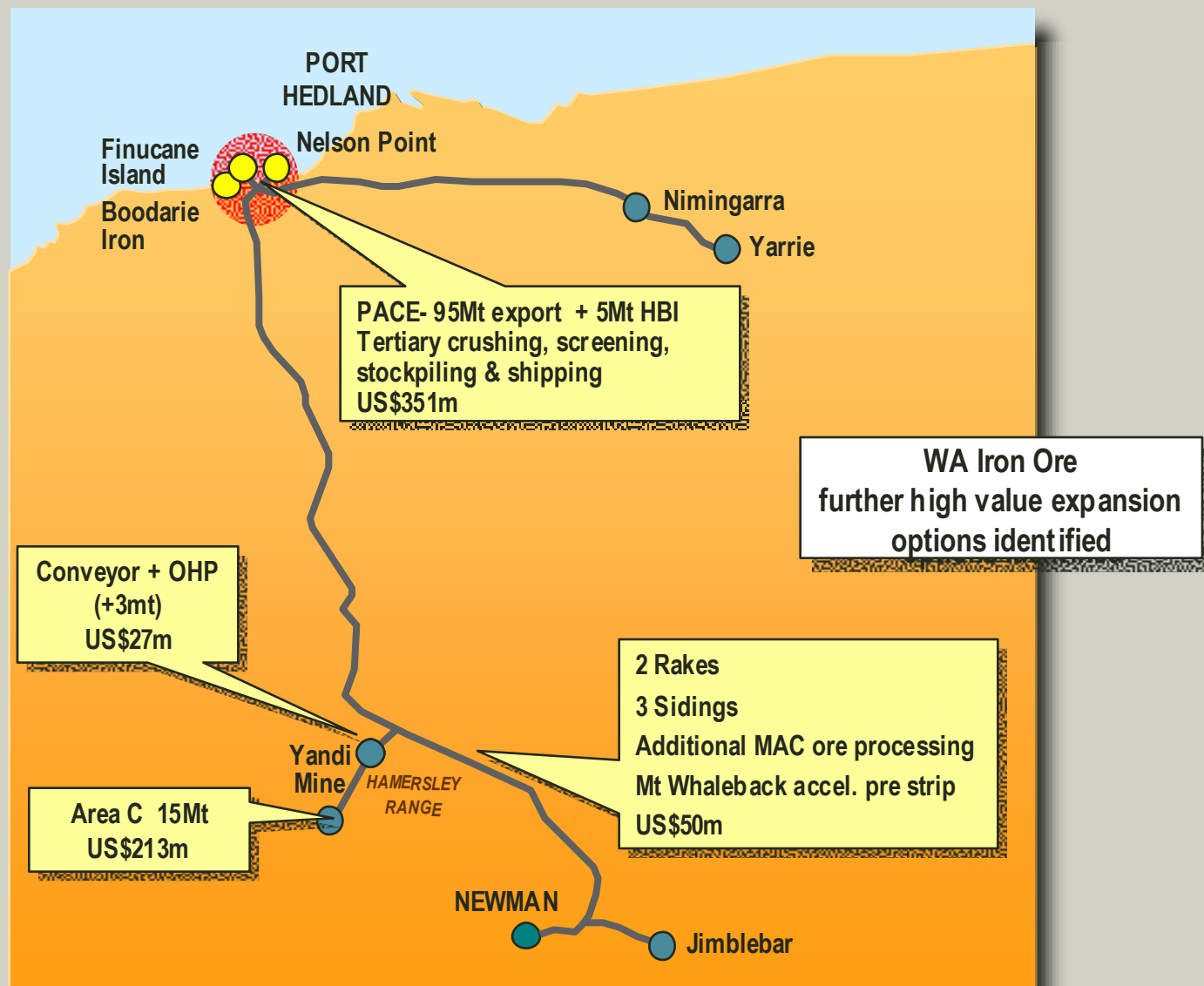
# Queensland Coal Expanded Capacity



# Dendrobium – Accelerated Ramp-Up & Expanded Production



# Western Australian Iron Ore System Capacity: Area C & PACE → 100Mt



# CSM – Meeting the China Challenge

- China Impact on CSM
- High Value, Low Cost Expansions
- **Customer-Focussed Marketing**

# Customer Focussed Marketing – Response to China Opportunities

- Consolidating and building our capabilities in China:
  - Five offices to two
  - Employed specialists in various disciplines
  - Upgraded systems
  - Established “WOFE”
  - Leveraging our position

# China - Challenges Remain

- Maintaining supply to traditional markets
- Preparing for the inevitable downturn
- Appreciating A\$ and SA Rand impact on margins

# Conclusion

- Carbon Steel Materials is in a unique position to take advantage of meteoric Chinese growth:
  - **Low cost, low risk expansion options**
  - Flexible supply
  - Diverse product range
  - World class resource base
  - Proximity to key markets

A large industrial crane is shown in silhouette, lifting a heavy load against a dramatic sunset sky. The crane's long jib extends from the right side of the frame towards the left, with a large, dark, rectangular load suspended from its end. The sky is filled with warm, orange and red clouds, and the sun is visible as a bright, glowing orb near the horizon. The overall scene conveys a sense of industrial strength and scale.

# Carbon Steel Materials

*The premier supplier of raw materials  
to the global steel making industry*