

Edgar Filing: RIO TINTO PLC - Form 425

RIO TINTO PLC
Form 425
September 02, 2008

Filed by: BHP Billiton Plc

and BHP Billiton Limited

Pursuant to Rule 425 under the Securities Act of 1933

Subject Company: Rio Tinto plc

Commission File No.: 001-10533

The following are slides comprising an investor presentation that was first given on September 1, 2008.

September 2008
Investor Presentation

Investor Presentation

Slide 2

Disclaimer

By viewing this presentation you agree to be bound by the following conditions.

The directors of BHP Billiton Limited and BHP Billiton Plc ("**BHP Billiton**") accept responsibility for the information contained herein. To ensure that such is the case, the information contained in this presentation is, to the best of the knowledge and belief of the directors, contains no omission likely to affect its import.

Subject to the above, neither BHP Billiton nor any of its directors, officers, employees or advisers nor any other person makes and accordingly no reliance should be placed on, the fairness, accuracy or completeness of the information contained in the presentation permitted by law, neither BHP Billiton nor any of its directors, officers, employees or advisers nor any other person shall have any liability for loss howsoever arising, directly or indirectly, from any use of this information or its contents or otherwise arising in connection with the presentation. The information contained in this presentation ("Rio Tinto") is based on public information which has not been independently verified.

This presentation is for information purposes only and does not constitute or form part of any offer for sale or issue of any securities, nor shall it or any part of it be relied on in connection with, any contract or investment decision, nor does it constitute a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale of securities in any jurisdiction in which such securities are not registered or qualified under the securities laws of any such jurisdiction (or under an exemption from such requirements) in any State except pursuant to registration under the US Securities Act of 1933, as amended, or an exemption therefrom. Neither the presentation nor any part of it shall be transmitted or distributed or redistributed (directly or indirectly) in Japan. The distribution of this presentation in other jurisdictions is subject to the laws of such jurisdictions. Persons in possession of this document should inform themselves about, and observe, any such restrictions.

This presentation is directed only at persons who (i) are persons falling within Article 49(2)(a) to (d) ("high net worth companies") under the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order") or (ii) have professional experience in financial markets in the United Kingdom or (iii) are outside the United Kingdom (all such persons being referred to as "relevant persons"). This presentation must not be directed to or disseminated to relevant persons.

Certain statements in this presentation are forward-looking statements (including statements regarding contribution synergies, production volumes, projects, future production volumes, increases in production and infrastructure capacity, the identification of additional mineral resources, and the identification of mineral reserves) and other statements typically containing words such as "intends," "expects," "anticipates," "targets," "plans," "estimates" and "may". These statements are based on current expectations and beliefs and numerous assumptions regarding BHP Billiton's present and future business strategies and operations. These statements will operate in the future and such assumptions, expectations and beliefs may or may not prove to be correct and by their nature are subject to uncertainties that could cause actual results, performance and achievements to differ materially.

Factors that could cause actual results or performance to differ materially from those expressed or implied in the forward-looking statements include, but are not limited to, the ability to successfully combine the businesses of BHP Billiton and Rio Tinto and to realise expected synergies from that combination, the receipt of required regulatory and anti-trust approvals, the successful completion of any transaction, and the risk factors discussed in BHP Billiton's and Rio Tinto's filings with the SEC (including in Annual Reports on Form 20-F) which are available at the SEC's website (<http://www.sec.gov>). Save as required by the listing rules of the New York Stock Exchange, the UK Takeover Panel, or the listing rules of ASX Limited, BHP Billiton undertakes no duty to update any forward-looking statements.

Investor Presentation

Slide 3

Disclaimer continued

No statement concerning expected cost savings, revenue benefits (and resulting incremental EBITDA) and EPS accretion in the future earnings per share of the enlarged BHP Billiton group for current and future financial years will necessarily match or exceed those of BHP Billiton, and the actual estimated cost savings and revenue benefits (and resulting EBITDA enhancement) may be materially different. For more information, see the US Offer for Rio Tinto plc.

BHP Billiton plans to register the offer and sale of securities it would issue to Rio Tinto plc US shareholders and Rio Tinto plc US investors. The Registration Statement (the **Registration Statement**), which will contain a prospectus (the **Prospectus**), as well as other relevant material information, is not a substitute for any Registration Statement or Prospectus that BHP Billiton may file with the SEC.

U.S. INVESTORS AND U.S. HOLDERS OF RIO TINTO PLC SECURITIES AND ALL HOLDERS OF RIO TINTO PLC AMERICAN DEPOSIT SHARES SHOULD CAREFULLY READ THE REGISTRATION STATEMENT, PROSPECTUS AND ANY OTHER DOCUMENTS MADE AVAILABLE TO THEM AND/OR FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS AND SUPPLEMENTS TO THOSE DOCUMENTS, WHEN THEY BECOME AVAILABLE. THIS INFORMATION IS NOT A SUBSTITUTE FOR THE REGISTRATION STATEMENT, PROSPECTUS AND ANY OTHER DOCUMENTS MADE AVAILABLE TO THEM AND/OR FILED WITH THE SEC.

Investors and security holders will be able to obtain a free copy of the Registration Statement and the Prospectus as well as other information on the SEC's website (<http://www.sec.gov>), once such documents are filed with the SEC. Copies of such documents may also be obtained from BHP Billiton upon request with the SEC.

Information for US Holders of Rio Tinto Limited Shares

BHP Billiton Limited is not required to, and does not plan to, prepare and file with the SEC a registration statement in respect of the offer of Limited shares. Limited shareholders should carefully consider the following:

The Rio Tinto Limited Offer will be an exchange offer made for the securities of a foreign company. Such offer is subject to different rules than those of the United States. Financial statements included in the document will be prepared in accordance with the accounting principles used by the company, which may differ from the financial statements of United States companies.

Information Relating to the US Offer for Rio Tinto plc and the Rio Tinto Limited Offer for Rio Tinto shareholders located in the United States. It may be difficult for you to enforce your rights and any claim you may have arising under the U.S. federal securities laws, since the company or all of its officers and directors may be residents of foreign countries. You may not be able to sue a foreign company or its officers or directors under the U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's jurisdiction. You should be aware that BHP Billiton may purchase securities of either Rio Tinto plc or Rio Tinto Limited otherwise than through the offer, including privately negotiated purchases.

BHP Billiton results are reported under International Financial Reporting Standards (IFRS). References to Underlying EBIT are reconciled to profit from operations is contained within the profit announcement.

References in this presentation to \$ are to United States dollars unless otherwise specified.

Investor Presentation

Slide 4

The largest mining company by market capitalisation

Market Capitalisation as at 11 August 2008

(US\$bn)

BHP Billiton

0

30
60
90
120
150
180
*Rio
Tinto
Market
Cap
=
Market
Cap
of
Rio
Tinto
Plc
+
62.6%
of
Market
Cap
of
Rio
Tinto
Ltd
(due
to
Rio
Tinto
Plc's
**Market
value
may
be
unreliable
due
to
a
high
percentage
of
non
free-float
shares.
Sources: Datastream, Bloomberg
approximate
37.4%
holding
of

Rio
Tinto
Ltd,
as
per
www.riotinto.com/investors/590_data_book.asp)

Investor Presentation
Slide 5
With a diversified global portfolio
Note:
Location
of
dots

indicative
only
Stainless Steel Materials
#3 global nickel producer
Iron Ore
#3 global supplier
of seaborne iron ore
Manganese
#1 global supplier of
seaborne manganese ore
Metallurgical Coal
#1 global supplier of seaborne
traded
metallurgical
coal
Base Metals
#3 global producer of copper, silver and lead
Aluminium
#4 global producer of bauxite and #4 aluminium
company based on net third party sales
Energy Coal
#4 global supplier of seaborne
export thermal coal
Petroleum
A
significant
oil
and
gas
exploration
and production business
Diamonds & Specialty Products
EKATI Diamond Mine is one of the world's
largest gem quality diamond producers
Aluminium
Base Metals
Diamonds & Specialty Products
Energy Coal
Iron Ore
Manganese
Metallurgical Coal
Petroleum
Stainless Steel Materials
Offices

Investor Presentation
Slide 6
Our strategy
Focus on value creation

People

Run current assets at full potential

Accelerate development projects

Create future options

Growth options

Project pipeline

Financial strength
and discipline

World-class

assets

Licence to

operate

People

Investor Presentation
Slide 7
Overview
Year ended June 2008

Outstanding operating and financial results

Annual production records set in 7 commodities

Underlying EBITDA up 22% to US\$28.0 billion

Underlying EBIT up 21% to US\$24.3 billion

Attributable profit of US\$15.4 billion, up 12%

Earnings per share of 275 US cents, up 18%

Underlying EBIT margin and ROCE
of 48% and 38% respectively

Growth projects proceeding well
with significant volume growth achieved
in FY2008 and expected in FY2009

Final dividend rebased to 41 US cents per share,
an increase of 52%,
consistent with outlook and higher earnings and cash flow

Investor Presentation

Slide 8

Outstanding results driven by strategy and execution

3.1

3.5

5.5

9.9

15.3
20.1
24.3
0
5
10
15
20
25
FY2002
FY2003
FY2004
FY2005
FY2006
FY2007
FY2008
Notes:
a)
FY2002
to
FY2005
calculated
on
the
basis
of
UKGAAP.
Subsequent
periods
calculated
under
IFRS.
Underlying EBIT
(a)
(US\$bn)
H2
H1
9.6
14.7

Investor Presentation

Slide 9

0

50

100

150

200

A track record of project delivery
Copper
equivalent
production
growth
(a)
(Indexed, 100=FY2001)

Projects successfully delivered:

44 since the DLC merger

10 completed in FY2008

10% growth estimated in FY2009

Completed projects ramping up in FY2009

Atlantis South, Genghis Khan,
Samarco, Ravensthorpe/Yabulu
Exp.,
Cliffs, Koala Underground, Spence,
Escondida Sulphide Leach and
Pinto Valley

First production expected in FY2009

GEMCO, Neptune, Shenzi, NWS
Train 5, NWS Angel and Alumar
Notes:

a)
Production from continuing operations converted to copper equivalent units using FY2008 average realised prices.

Investor Presentation
Slide 10
Diversity = Stability and Strength
%
EBIT Margin
(1)
FY2002

FY2003
FY2004
FY2005
FY2006
FY2007
FY2008

0
10
20
30
40
50
60
70
80
H1
H2
H1
H2
H1
H2
H1
H2
H1
H2
H1
H2
H1
H2

Petroleum
Aluminium
Base Metals
D&SP
SSM
Iron Ore
Manganese
Met Coal
Energy Coal
BHP Billiton

(1)
FY2002
to
FY2005
are
calculated
under
UKGAAP.
Subsequent
periods
are

calculated
under
IFRS.
All
periods
exclude
third
party
trading
activities.

Investor Presentation

Slide 11

Short-term global challenges exist

Global economic activity is moderating

Financial market instability, housing

market decline and inflationary pressures

Emerging economies not immune

Inflationary pressures

Some decline in fixed asset investment growth (isolated to a small number of industries)

Exchange rate appreciation reducing export competitiveness

0%

2%

4%

6%

Jun-06

Sep-06

Dec-06

Mar-07

Jun-07

Sep-07

Dec-07

Mar-08

Jun-08

United

States

annual

GDP

growth

(a)

(Annual growth, %)

China

annual

GDP

growth

(b)

(Annual growth, %)

8%

10%

12%

14%

Jun-06

Sep-06

Dec-06

Mar-07

Jun-07

Sep-07

Dec-07

Mar-08

Jun-08

Notes:

a)

Source: US Department of Commerce, Bureau of Economic Analysis.

b)

Source: CEIC

Investor Presentation

Slide 12

However, long-term fundamentals of emerging/developing economies remain intact

2.8%

2.3%

1.3%

2.9%

3.5%

6.4%

6.7%

7.0%

9.8%

10.1%

9.4%

10.1%

0%

2%

4%

6%

8%

10%

12%

Average historical growth

CY1990-CY2000

Average historical growth

CY2001-CY2007

Average forecast growth

CY2008-CY2009

Average forecast growth

CY2010-CY2013

Developed Economies

Emerging & Developing Economies

China

Source: World economic outlook database, April 2008.

IMF world GDP growth

(%)

Investor Presentation

Slide 13

Urbanisation and industrialisation has resulted in a huge
call on steelmaking raw materials

0

100

200

300
400
500
600
700
800
900
CY1970
CY1980
CY1990
CY2000
CY2007
CY2015E
United States
China

Source: International Iron & Steel Institute (World Steel in Figures, 2008), US Geological Survey (Iron and Steel Statistics, 3 January 2008) and BHP Billiton estimates.

Annual steel consumption

(mtpa)

Cumulative steel consumption since 1900

(mt)

0
1,000
2,000
3,000
4,000
5,000
6,000
7,000
8,000
9,000
10,000

CY1970
CY1980
CY1990
CY2000
CY2007
CY2015E
United States
China

Investor Presentation

Slide 14

Supply-side constraints are limiting the industry's response

Equipment stress

Industrial action and wage disputes

Labour shortages

Equipment shortages

Significant cost pressures, including fuel

Energy and power constraints

Declines in ore-grade levels

Rising tariffs

Infrastructure bottlenecks

Developments are increasingly tending to be:

Smaller

Lower grade

Higher risk geographies

Equipment shortages

longer lead

times and project delivery dates

Rising capital costs

Resources nationalism

Existing Supply

Future

Supply

Grow

th

Investor Presentation

Slide 15

0

2,000

4,000

6,000

8,000

10,000

12,000

14,000

CY2007

CY2008

CY2009F

CY2010F

CY2011F

CY2012F

Accelerating growth from a diversified portfolio of projects

% of growth CY2007-2012

(Estimated & unrisked)

Production

in

copper

equivalent

tonnes

(Copper equivalent tonnes '000s)

45%

37%

18%

Steelmaking

Materials

Energy

Non-Ferrous

Note: Growth in production volumes on a copper equivalent units basis between CY2007 and CY2012 calculated using BHP Billiton production. Production volumes exclude BHP Billiton's Specialty Products operation and all bauxite production businesses are included. Alumina volumes reflect only tonnes available for external sale. Conversion of production forecasts to equivalent units completed using long term consensus price forecasts, plus BHP Billiton assumptions for diamonds, domestic manganese. Prices as at July 2008.

Investor Presentation

Slide 16

Focused on low risk volume growth from existing assets, high
margin CSGs

and known regions

By project type

(b)

87%

13%

Brownfield

Greenfield

By region

(c)

Existing

New

By country risk

(d)

88%

12%

Lower

Higher

3%

97%

By high margin vs

lower margin CSGs

(e)

63%

37%

> 50%

< 50%

Projected

growth

in

production

in

copper

equivalent

tonnes

(a)

(CY2007-CY2012)

Notes:

a)

Growth in production volumes on a copper equivalent units basis between CY2007 and CY2012 calculated using BHP Billiton exclude BHP Billiton's Specialty Products operation and all bauxite production. All energy coal businesses are included. All Conversion of production forecasts to copper equivalent units completed using long term consensus price forecasts, plus BHP manganese. Prices as at July 2008.

b)

Brownfield includes growth from existing operations as at 31-Dec-2007, as well as expansions and additional developments of

c)

Existing regions represents those countries in which BHP Billiton already has asset operating as at 31-Dec-2007.

d)

Country risk methodology based on March 2008 Euromoney Magazine poll. Lower risk countries defined as countries with risk

e)

High margin CSGs represents those with an average EBIT margin (excluding third party trading activities) of greater than 50%

Investor Presentation

Slide 17

Strong cash flow -
delivering value to shareholders

0

2,000

4,000

6,000
8,000
10,000
12,000
14,000
16,000
18,000
20,000
FY2002
FY2003
FY2004
FY2005
FY2006
FY2007
FY2008
H1
H2
0
1500
3000
4500
6000
7500
9000
FY2002
FY2003
FY2004
FY2005
FY2006
FY2007
FY2008
Organic
Growth
1
Return
to
Shareholders
2
(1)
Includes capital and exploration expenditures (exclude acquisitions).
(2)
Includes dividends paid and share buy-backs.
(3)
FY2005
to
FY2008
have
been
calculated
on

the
basis
of
the
IFRS.
Prior
periods
have
been
calculated
on
the
basis
of
UKGAAP.

(4)
FY2007 and FY2008 cashflow reflects proportional consolidation of joint ventures.

0
1500
3000
4500
6000
7500
9000
FY2002
FY2003
FY2004
FY2005
FY2006
FY2007
FY2008
US\$m
US\$m
US\$m
Available Cash Flow

Investor Presentation
Slide 18
Summary

Excellent operating and financial
results

Long-term demand outlook remains strong despite some short-term economic uncertainty

Supply-side constraints are limiting the ability for the industry to respond to demand growth

BHP Billiton's portfolio of assets focused in stable geographies provides a competitive advantage

Future growth being delivered from lower risk projects
Liverpool Bay

BHP Billiton s of
fer
to acquire Rio Tinto

Investor Presentation
Slide 20

BHP Billiton has made a pre-conditional offer for Rio Tinto, it will be capable of acceptance by shareholders following completion of regulatory processes and posting of offer documents

Subject to pre-conditions relating to certain anti-trust clearances in the EU, the US, Australia, Canada and South Africa and

FIRB approval in Australia

Rio
Tinto
shareholders
are
being
offered
3.4
BHP
Billiton
shares
for
every
Rio
Tinto
share
held

The
offer
represents
a
45%
premium
to
the
undisturbed
combined
volume
weighted
average
market
capitalisation

And an 8% premium, based on BHP Billiton's current combined market capitalisation as at 15-Aug-08 and the Rio Tinto combined market capitalisation immediately prior to the announcement confirming BHP Billiton's approach

The offer is conditional on more than 50% acceptances of the publicly held shares in each of Rio Tinto plc and

Rio Tinto Ltd

BHP Billiton's progressive dividend policy is expected to be maintained

Proposed
share
buyback
of
up
to
US\$30bn
following
completion
if
the
offer
is
successful

Buyback and any refinancing of Rio Tinto's borrowings to be funded through a combination of a US\$55bn committed bank financing facility, cash flow from operations, asset disposal proceeds and, if required, debt financing

Target single A credit rating

DLC structure maintained
Overview of BHP Billiton Offer for Rio Tinto
Notes:
a)
Premium
based
on
the
combined
volume-weighted
market
capitalisation
of
Rio
Tinto
based
on
the
volume-weighted
average
closing
share
prices
over
the
month

ended
31-Oct-2007
of
£43.09
and
A\$109.20
for
Rio
Tinto
plc
and
Rio
Tinto
Ltd
respectively
and
volume-weighted
average
closing
share
prices
over
the
month
ended
31-Oct-2007
of
BHP
Billiton
Plc
and
BHP
Billiton
Ltd
of
£17.99
and
A\$45.77
respectively.
Based
on
BHP
Billiton
and
Rio
Tinto
issued
ordinary
shares
outstanding

(excluding
Treasury
shares
and
cross
shareholdings eg. Rio Tinto
plc s
shareholding in Rio Tinto
Ltd)
as
at
9-Nov-2007
and
exchange
rates
of
2.077
US\$/£
and
0.927
US\$/A\$
as
at
31-Oct-2007.

b)
Consistent
with
the
UK
City
Code
on
Takeovers
and
Mergers,
this
premium
has
been
calculated
based
on
the
combined
based
on
the
combined
market
capitalisation

of
Rio
Tinto
based
on
the
closing
share
prices
of
Rio
Tinto
plc
of
£43.50
on
7-Nov-2007
and
Rio
Tinto
Ltd
of
A\$113.40
on
8-Nov-2007
and
closing
share
prices
of
BHP
Billiton
Plc
and
BHP
Billiton
Ltd
of
£15.29
and
A\$37.98
respectively
on
15-Aug-2008.
Based
on
BHP
Billiton
and
Rio

Tinto
issued
ordinary
shares
outstanding
(excluding
Treasury
shares
and
cross
shareholdings eg.
Rio Tinto
plc s
shareholding in Rio Tinto
Ltd)
as
at
15-Aug-2008
and
exchange
rates
of
1.863
US\$/£
and
0.865
US\$/A\$
as
at
15-Aug-2008.

Based on BHP Billiton s share prices and exchange rates as at 15-Aug-2008 and assuming 100% BHP Billiton Ltd shares for BHP Billiton shares for each Rio Tinto plc share consisting of 80% BHP Billiton Plc shares and 20% BHP Billiton Ltd shares, the value of the Rio Tinto Ltd offer was £53.58 and the value of the Rio Tinto plc offer was A\$129.13 as at 15-Aug-2008. The closing share prices of Rio Tinto plc and BHP Billiton Ltd were £46.05 and A\$115.15 respectively.

- c)
i.e. if BHP Billiton acquires 100% of the shares in Rio Tinto Limited and Rio Tinto plc on the 3.4:1 announced offer terms.
- (a)
 - (b)
 - (c)

Investor Presentation

Slide 21

Detail on BHP Billiton offer for Rio Tinto

Rio Tinto plc Offer:

Rio Tinto plc shareholders will receive 3.4 BHP Billiton shares for every Rio Tinto plc share held

80% in BHP Billiton Plc shares

20% in BHP Billiton Ltd shares

Separate US offer (which forms part of the Rio Tinto plc Offer) to:

US resident shareholders of Rio Tinto plc shares

All holders of Rio Tinto plc ADRs

Rio Tinto Ltd Offer:

Rio Tinto Ltd shareholders will receive 3.4 BHP Billiton Ltd shares for every Rio Tinto Ltd share held

Unique synergy potential:

Expected material quantifiable synergies and financial benefits unique to this combination

(a)

US\$1.7bn nominal per annum from cost savings

US\$2.0bn additional nominal per annum primarily from volume acceleration

Other combination benefits

With a mix and match

facility

a)

Estimated incremental EBITDA based on publicly available information. To be read in conjunction with the notes in Appendix

of

BHP

Billiton's

announcement

dated

6-Feb-2008.

Full

run

rate

synergies

expected

by

year

7.

Assumes BHP Billiton gains 100% of the shares of Rio Tinto Limited and Rio Tinto plc on the 3.4:1 announced offer terms.

Investor Presentation

Slide 22

Unlocking further value through a combination with Rio Tinto

Optimising mineral basin positions and infrastructure

Lower cost, more efficient production

Unlocking volume through matching reserves with infrastructure

Enhanced platform for future growth

Deployment of scarce resources to highest value opportunities

Greater ability to develop the next generation of large scale projects in new geographies

Better positioned as partner of choice with governments and stakeholders

Efficient exploration and infrastructure development

Unique synergies and combination benefits

Economies

of
scale

especially
procurement

Avoid duplication, reduce corporate and divisional non-operating costs

Accelerate tonnage delivered to market

Investor Presentation
Slide 23
Indicative Timetable for the Offer
Feb
Mar
Nov
Dec

Jan
Oct
Sep
Aug
Jul
Jun
May
Apr
Mar
Feb
Jan
2009
2008
6-Feb-2008

BHP Billiton
announced pre-
conditional offers for
all of the outstanding
shares of Rio Tinto
Offer Announcement
Satisfaction of Regulatory Approval Pre-conditions

30-May-2008:
Form CO filed with the European
Commission

3-Jul-2008:
US merger review completed

4-Jul-2008:
Entered into Phase 2 investigation with the
European Commission

European Commission decision due by
December 2008

All regulatory pre-conditions expected to be completed or
waived by the
Offer Period
Early 2009

UK Offer Timetable

50% minimum
acceptance condition
must be satisfied in
both the Rio Tinto plc
and Rio Tinto Ltd
offers by

end
of
2008
Day 60

Appendix

Investor Presentation
Slide 25
2007
2008
Financial highlights
% Change
Year ended June (US\$m)

Revenue	
59,473	
47,473	
25.3	
Underlying EBITDA	
28,031	
22,950	
22.1	
Underlying EBIT	
24,282	
20,067	
21.0	
Attributable profit (excluding exceptionals)	
15,368	
13,675	
12.4	
Attributable profit	
15,390	
13,416	
14.7	
Net operating cash flow	
18,159	
15,957	
13.8	
EPS (excluding exceptionals) (US cents)	
274.9	
233.9	
17.5	
Dividend per share (US cents)	
70.0	
47.0	
48.9	

Investor Presentation

Slide 26

Return on capital and margins

(1)

FY2005 to FY2008

are shown on the basis of IFRS.

Prior periods are calculated under UKGAAP. All periods exclude third party trading.

35%

38%

38%

44%

48%

48%

29%

21%

13%

11%

40%

30%

24%

20%

0%

10%

20%

30%

40%

50%

60%

FY2002

FY2003

FY2004

FY2005

FY2006

FY2007

FY2008

Return on Capital

EBIT Margin

(1)

Investor Presentation

Slide 27

0
2
4
6
8

10

12

FY2002

FY2003

FY2004

FY2005

FY2006

FY2007

FY2008

0%

5%

10%

15%

20%

25%

30%

35%

40%

Capex (LHS)

Capitalised Exploration (LHS)

Acquisitions (LHS)

ROCE (RHS)

Strong Return On Capital Employed despite record capital investments

Capital and exploration expenditure

(US\$bn)

Notes:

FY2002

to

FY2005

are

shown

on

the

basis

of

UKGAAP.

Subsequent

periods

are

calculated

under

IFRS.

ROCE

Investor Presentation

Slide 28

Our portfolio is diversified and balanced across high margin commodities

Underlying

EBIT

Margin

(a)
(FY2008)

Notes:

a)
EBIT
Margin
excludes
third
party
trading
activities.

67%

30%

31%

62%

20%

25%

24%

48%

51%

58%

Underlying EBIT
(FY2008, US\$bn)

0

5

10

15

20

25

Energy

(27%)

Non Ferrous

(44%)

Steelmaking

Materials

(29%)

Iron Ore

Manganese

Energy Coal

Metallurgical Coal

D & SP

Base Metals

Petroleum

Stainless Steel

Materials

Aluminium

Iron Ore

Manganese

Energy Coal

Metallurgical Coal

Diamonds and
Specialty Products
Base Metals
Petroleum
Stainless Steel
Materials
Aluminium
Group

Investor Presentation

Slide 29

Underlying EBIT by Customer Sector Group

Petroleum

5,489

3,014

+82.1

Record EBIT and production

Operating cash costs held under US\$5 per BOE

3 new major projects commissioned and volume growth expected to continue

Strong operational performance - Stybarrow continued to produce at full capacity and excellent facility uptime in all operations

Continued replenishment of project and exploration pipeline

Greater than 100% reserve replacement for the second consecutive year

2007

2008

% Change

Year ended June (US\$m)

Neptune

Investor Presentation

Slide 30

Underlying EBIT by Customer Sector Group

Aluminium

1,465

1,856

-21.1

Base Metals

7,989

6,875

+16.2

2007

2008

% Change

Year ended June (US\$m)

Record alumina production

South African power situation will continue
to impact metal production

Worsley E&G approved

Record copper production despite supply
disruptions in South America

Pampa Escondida discovery

Worsley

Escondida

Investor Presentation
Slide 31
Underlying EBIT by Customer Sector Group
Ekati
Diamonds & Specialty Products
189
197

-4.1
2007
2008
% Change
Year ended June (US\$m)

Koala Underground ramping up strongly

Anglo Potash acquisition adding flexibility
for future growth

Stainless Steel Materials

1,275

3,675

-65.3

EBIT impacted by lower prices and volume, and
higher costs

Ravensthorpe, Yabulu Expansion Project and
Cliffs commissioned
Ravensthorpe

Investor Presentation

Slide 32

Underlying EBIT by Customer Sector Group

Manganese

1,644

253

+549.8

2007

2008

% Change

Year ended June (US\$m)

Record production due to successful project execution

Exceptional local currency cost control at Western
Australia Iron Ore

Strong volume growth expected in FY2009

Growth plan underpinned by extensive exploration and
development program

Record production, results and margin

Low cost volume expansions underway

Mount Newman

GEMCO

Iron Ore

4,631

2,728

+69.8

Investor Presentation

Slide 33

Underlying EBIT by Customer Sector Group

Metallurgical Coal

937

1,247

-24.9

2007

2008

% Change

Year ended June (US\$m)

Strong recovery from flood impacts in Queensland

Costs impacted by recovery activities

Great outlook for margins

Market remains tight

Growth pipeline being accelerated

Energy Coal

1,057

481

+119.8

Record EBIT

Higher export prices driven by strong demand

Record production at Hunter Valley and Cerrejon

3 projects sanctioned during the year

Illawarra Coal

Hunter Valley Coal

Investor Presentation
Slide 34
Underlying EBIT analysis
Year ended June 08 vs June 07
0
5,000
10,000

15,000
20,000
25,000
30,000
Jun-07
Net Price
Volume
Exchange
Inflation
Cash Costs
Non Cash
Costs
Exploration
& Bus Dev
Other
Jun-08
US\$m
20,067
6,559
1,828
(1,133)
(532)
(967)
(216)
(404)
(920)
24,282
(1)
Including
\$134m
of
price-linked
costs
impact.
(2)
Including
\$1,619m
due
to
increase
in
volume
from
new
operations.
(1)
(2)

Investor Presentation

Slide 35

High capture of price benefit to EBIT

20,067

US\$m

6,559

4,215

64%

(1)

Net price variance includes the impact of price-linked costs. Price-linked costs is defined as any costs which fluctuate in line with movements in price such as royalties, TC/RC and LME linked costs.

24,282

0

2,000

4,000

6,000

8,000

10,000

12,000

14,000

16,000

18,000

20,000

22,000

24,000

26,000

28,000

FY2007 EBIT

Net Price Variance

(1)

Price to EBIT

FY2008 EBIT

Investor Presentation

Slide 36

Impact of major commodity price

Year ended June 08 vs June 07

-1500

-1000

-500

0
500
1000
1500
2000
2500
Total
price
variance
US\$6,559
million
(1)
US\$m
Petroleum
1,684
Copper
946
Manganese
1,465
Iron Ore
2,134
Energy
Coal
1,062
Nickel
(1,066)
Diamonds
80
Aluminium
(51)
Met Coal
151
(1) Net of \$134m of price-linked costs impact.
Other
154

Investor Presentation

Slide 37

-400

-200

0

200

400

600

800

1000

1200

1400

Impact of major volume changes

Year ended June 08 vs June 07

US\$m

Total

volume

(1)

variance

US\$1,828

million

Petroleum

894

Met

Coal

(47)

Iron

Ore

424

Aluminium/

Alumina

20

D&SP

19

Energy

Coal

38

Copper

727

Nickel

(313)

Other

47

(1)

Volume variances calculated using previous year margin and includes new operations

Manganese

20

Investor Presentation

Slide 38

Rate of cost increase

FY2005 is shown on the basis of UKGAAP. Other periods are calculated under IFRS.

All periods exclude third party trading and non cash costs.

0%

1%

2%

3%

4%

5%

6%

7%

FY2005

FY2006

FY2007

FY2008

Other Costs

Raw Materials

Fuel & Energy

Operating cost increase relative to preceding year

4.9%

6.8%

3.6%

4.3%

Investor Presentation

Slide 39

-250

-150

-50

50

150

250

350

450

550

650

Cash cost increase mostly recouped in revenue

Maintenance

US\$m

People

Fuel &

Energy

Shipping

& Freight

Raw Materials

QCoal Rain

Impact

CMSA Strike

244

13

204

70

371

50

120

100

(225)

(1)

Excluding non-cash costs of US\$216m (mostly depreciation on growth capital).

KNS Furnace

Rebuild

20

Recouped

in Revenue

\$645m

Investment

\$257m

One

Offs

\$190m

Other

\$100m

Business

Excellence

\$225m

\$967m

(1)

Investor Presentation

Slide 40

Cash flow

Operating cash flow
and dividends

25,541

22,012

Net interest paid

(630)

(494)

Tax paid

(1)

(6,752)

(5,561)

Net operating cash flow

18,159

15,957

Capital expenditure

(7,558)

(7,129)

Exploration expenditure

(1,350)

(805)

Purchases of investments

(336)

(757)

Proceeds from sale of fixed assets & investments

180

378

Net cash flow before dividends and
funding

9,095

7,644

Dividends paid

(2)

(3,250)

(2,339)

Net cash flow before funding & buy-backs

5,845

5,305

2008

2007

Year ended June (US\$m)

(1)

Includes royalty related taxes paid

(2)

Includes dividends paid to minority interests

Investor Presentation
Slide 41
Ordinary dividends per share
(US cents per share)
0
10
20

30
40
50
60
70

FY2005
FY2006
FY2007
FY2008

H1
H2
0

50
100
150
200
250
300

FY2005
FY2006
FY2007
FY2008

Earnings per share
(US cents per share)

Note:

BHP Billiton's EPS represents reported underlying EPS for the financial year ending 30 June.

Delivering superior returns to shareholders

CAGR 36%

CAGR 37%

Investor Presentation

Slide 42

Portfolio management

US\$6.3bn of disposals

0

1,000

2,000

3,000

4,000

5,000

6,000

7,000

Sale Proceeds

Base Metals

D&SP

Energy Coal

SSM

Petroleum

Steel

Other

Column 9

180

FY 2008

378

FY 2007

6,287

Total proceeds

845

FY 2002

2,472

FY 2003

(1)

277

FY 2004

1,035

FY 2005
1,100
FY 2006
US\$m
Proceeds from
sale of assets
(1)
Includes
BHP
Steel
demerger
and
BHP
Steel
loans
(net
of
cash
disposed
and
costs)
US\$m

Investor Presentation
Slide 43
Resourcing the Future
BHP Billiton's response

BHP Billiton has not been immune from
supply constraint issues

But our scale, global presence and diversification provides significant competitive advantages

We are focused on the disciplined execution of the core strategy

And on pursuing a renewed organisational focus on **simplicity**, accountability and **effectiveness**

Port Hedland

Investor Presentation
Slide 44
3,000
Europe
Japan
Other Asia
Nth
America
China
ROW

Australia

Diversification remains for sales into China

20% of total company revenues in FY2008

US\$m

431

785

1,075

1,357

371

1,588

2,407

2,946

3,611

3,999

5,293

5,013

6,657

FY2008 revenue by location of customer

0

1,000

2,000

4,000

5,000

6,000

7,000

FY02

H1 03

H2 03

H1 04

H2 04

H1 05

H2 05

H1 06

H2 06

H1 07

H2 07

H1 08

H2 08

Petroleum

Aluminium

Base Metals

Iron Ore

Met Coal

Manganese

Energy Coal

SSM

Other

Investor Presentation

Slide 45

China and India account for a major share of world commodity demand

Notes: Iron ore represents imports. Coal includes all coal types. Europe excludes former Soviet Union.

Source: CRU International Ltd, Quarterly Reports (April-June 2008); Brook Hunt Aluminium Metal Service (July 2008); BP Review of World Energy, June 2008; IISI

Steel Statistical Yearbook (December 2007) and World Steel in Figures (2008)

0

10

20

30

40

50

60

70

80

90

100

Coal

Fe Ore

Steel

Al

Cu

Ni

Energy

Oil

Other

Europe

Japan

USA

India

China

Share of World Commodity Demand

2007

(%)

Investor Presentation

Slide 46

China's commodity demand and its percentage share of world demand

000 tonnes

Data: CRU Copper Quarterly, April 2008

000 tonnes

Data: CRU Nickel Quarterly, June 2008

Data: Brook Hunt Aluminium Metal Service, July 2008

000 tonnes
million tonnes

Data:

IISI

Steel

Statistical

Yearbook

(Dec.

2007);

China

Customs

data

(www.customs.gov.cn);

CRU

-

"The

Iron

Ore

Market

Service"

Interim

Report,

December

2007;

The

Tex

Report

(February

2008);

Iron

ore

data

are

seaborne

traded,

based

on

import

statistics

Copper

Nickel

Aluminium

Iron Ore

0

500

1,000

1,500

2,000
2,500
3,000
3,500
4,000
4,500
5,000

95
96
97
98
99

00
01
02
03
04

05
06
07

0%

5%

10%

15%

20%

25%

30%

Chinese refined copper
consumption

% share of world refined copper
consumption (right hand scale)

0

50

100

150

200

250

300

350

400

95

96

97

98

99

00

01

02

03

04

05
06
07
0%
5%
10%
15%
20%
25%
30%
Chinese primary nickel
consumption
% share of world primary nickel
consumption (right hand scale)
0
50
100
150
200
250
300
350
400
450
95
96
97
98
99
00
01
02
03
04
05
06
07
0%
5%
10%
15%
20%
25%
30%
35%
40%
45%
50%
Chinese iron ore imports
% share of global seaborne iron ore

(right hand scale)

0
2,000
4,000
6,000
8,000
10,000
12,000
14,000
95
96
97
98
99
00
01
02
03
04
05
06
07
0%
5%
10%
15%
20%
25%
30%
35%

Chinese aluminium
consumption
% share of global aluminium
consumption (right hand scale)

Investor Presentation
Slide 47
Copper
GDP per capita vs consumption per capita
Copper consumption
(kg/capita)
0

5
10
15
20
0
5,000
10,000
15,000
20,000
25,000
30,000
35,000
40,000
45,000
50,000
GDP/Capita (Jan 2008 Constant US Dollars)

China
Germany
India
Japan
Korea, Rep.
United States
Taiwan

*Note:

Based
on
a
projection
of
similar
growth
patterns
to
the
other
nations
shown

Source:
World
Bank
(World
Development
Indicators
Online
Database,
February
2008);
Government
Statistics
for

Taiwan
(www.stat.gov.tw);
CRU
Copper
Quarterly
(January 2008)

Investor Presentation
Slide 48
1975-2008
Emerging Market growth
Maturing of Japan
1990: Collapse of USSR
Productivity & IT revolution

Commodification
Cost benefits from technology
and economies of scale
Emerging Markets and
China's long boom
Renewed call
on
copper resources
Global Copper Prices in 1880-2008
10-Year
Moving
Average
Real Annual
Cu Price
1880-1914
Second Industrial
Revolution & US economic expansion
Electrification
Colonial/imperial raw materials
networks
Rising real prices
Expansion of US
copper mining
Expansion in
African Copperbelt
Expansion in
Chile/Peru
Escondida &
Freeport
Flotation, open-pit
mining and
mechanisation
Flash smelting
Birth of Sx/Ew
WWI
WWII
Twin Oil
Shocks
Collapse
of USSR
Wall
Street
Crash
1920-2007
Sources
of
data:
CRU
Quarterly
Reports

(April
2008,
and
archives);
US
Geological
Survey
-
Metal
Prices
in
the
US
Through
1998,
(<http://minerals.usgs.gov/minerals>);
US
Bureau
of
Economic
Analysis
(US
CPI
Database);
London
Metals
Exchange,
(<http://www.lme.co.uk>)
China s
Boom
1970s
Oil Shocks
Inflation/recession
Demand slumps
Substitution
LME pricing
Costs and prices
fall from peaks
Vietnam
War
1950-1973
Post-war boom
Japan s
economic miracle
High demand growth
Nationalisation
in
Chile,
Peru, Mexico
and Africa

Costs and prices rise
Producer pricing
Korean
War
0.00
0.50
1.00
1.50
2.00
2.50
3.00
3.50
4.00
1880
1890
1900
1910
1920
1930
1940
1950
1960
1970
1980
1990
2000
1920-1945
Great Depression
World War II
High military demand
Investment dries up
Prices collapse
and stagnate

Investor Presentation
Slide 49
Energy
GDP per capita vs energy use per capita
Primary energy use
(toe/capita)
0

2
4
6
8
10
0
5,000
10,000
15,000
20,000
25,000
30,000
35,000
40,000
45,000
50,000
GDP/Capita (Jan 2008 Constant US Dollars)

China
Germany
India
Japan
Korea, Rep.
United States
Taiwan

*Note:
Based
on
a
projection
of
similar
growth
patterns
to
the
other
nations
shown.
to
stand
for
tonnes
of
oil
equivalent

Source:
World
Bank

World

Development
Indicators
Online
Database
(February
2008),
Government
Statistics
for
Taiwan
(www.stat.gov.tw);
BP
Statistical
Review
of
World
Energy
June
2007

Investor Presentation

Slide 50

Emerging markets are driving energy consumption growth

36%

9%

5%

50%

China
Other
Europe
North America

Source: BP Statistical Review of World Energy 2008.

Notes: Primary energy comprises commercially traded fuels only. Oil consumption measured in million tonnes, other fuels converted

to
million
tonnes
of
oil
equivalent
as
detailed
in
the
Appendices

of
the
Review.

Share of world primary energy consumption

(mmtoe)

Growth in energy consumption CY2000-2007

(mmtoe)

10%

17%

30%

26%

30%

27%

30%

31%

0%

100%

CY2000

CY2007

Other

Europe

North

America

China

Investor Presentation

Slide 51

0

2,000

4,000

6,000

8,000

10,000

12,000

14,000

16,000

2000

2010

2020

2030

Strong long-term global growth in energy demand

Energy demand growth (CAGR)

(mmtoe)

+1.6%

+2.4%

+1.4%

Oil

Gas

Coal

Nuclear

Hydro

Renewables

Source : IEA World Energy Outlook

Investor Presentation
Slide 52
Steel
GDP per capita vs consumption per capita
Finished steel consumption
(kg/capita)
0

200
400
600
800
1,000
1,200
0
5,000
10,000
15,000
20,000
25,000
30,000
35,000
40,000
45,000
50,000

GDP/Capita (Jan 2008 Constant US Dollars)

China

Germany

India

Japan

Korea, Rep.

United States

Taiwan

*Note: Based on a projection of similar growth patterns to the other nations shown

Source: World Bank (World Development Indicators Online Database, February 2008); Government Statistics for Taiwan

(www.stat.gov.tw);

IISI

Steel

Statistical

Yearbook

(Dec.

2007)

Investor Presentation

Slide 53

China is the world's largest steel producer

Source: IISI and BHP Billiton estimates.

Note crude steel production growth calculated based on the change in annual production between years ended 1996 and 2007.

0

250

500
750
1,000
1,250
1,500
1996
2007
Crude steel production
(mt)
China
USA
Japan
Europe
Other
India
66%
20%
5%
4%
5%
0%
Crude steel production growth (1996-2007)
(mt)
China
USA
Japan
Europe
Other
100% = 590
India

Investor Presentation
Slide 54
Source: GTIS and CRU
South America
Domestic supply / demand
4.27x
0.00x
Iron Ore
Met Coal
India
Domestic supply / demand
2.36x

0.12x

Iron Ore

Met Coal

China

Domestic supply / demand

0.34x

0.99x

Iron Ore

Met Coal

CIS / Other Europe

1.03x

0.92x

Iron Ore

Met Coal

Domestic supply / demand

Steelmaking materials -

Australia is the natural supplier to

Asia

83

24

159

68

16

260

90

22

27

Investor Presentation

Slide 55

But so is Metallurgical coal

Leading position in the seaborne market

100% BMA owned Hay Point limits impact of

infrastructure constraints

Significant growth options

Iron Ore is an important part of the mix

Geographic proximity to the growing Asian market

Record annual production and shipments

Plans underway to expand WAIO system capacity

(100%) to 300mtpa by 2015

And Manganese is a significant contributor

Largest supplier of seaborne manganese ore from high
quality resource base

Manganese ore and alloy assets operating at record

production levels in a strong demand environment

BHP Billiton has a leading position in the steelmaking commodities

23%

64%

13%

Total Carbon Steel Sector FY2008 EBIT

(Total = US\$7.2bn)

Manganese

Met Coal

Iron Ore

Investor Presentation

Slide 56

Existing supply:

Equipment shortages are continuing

CY2004

CY2005

CY2006

CY2007

CY2008

CY2009

Tyres and Trucks

Tyres (2004)

OEM underinvestment

Radial tyre market

undersupply >30%

Trucks (2007)

Access to castings,

forgings

Effect of non-mining

competitors

Oil

sands

Draglines & Shovels

Historical cyclicality has

contributed to

underinvestment

Market limited Supply

Base

Availability of raw

materials/steel

Ammonium Nitrate

Production capacity

constraints

Shortage of raw

materials

High capital costs

Stringent import

regulations

Grinding Mills

Access to castings,

forgings

Production capacity

constraints

Increased steel prices

Skilled labour
shortages

?

Timing of initial supply constraint manifestation

Investor Presentation

Slide 57

Future industry supply growth:

New projects are encountering delays

Source: Brook Hunt.

Note:

Forecast

production
as
at
2008
Q2
represents
the
expected
future
production
as
at
2008
Q2
from
those
copper
developments
classified
as
highly
probable
and
probable
as
at
2006
Q1.
It
excludes
new
developments
classified
as
highly
probable
or
probable
since
2006
Q1.
Expected future production from highly probable and probable copper developments
(kt)
Forecast production
as at 2006 Q1
Forecast production
as at 2008 Q2
2-3 year delays
0
1,000

2,000
3,000
4,000
5,000
6,000
7,000
8,000
CY2006
CY2007
CY2008
CY2009
CY2010
CY2011
CY2012
CY2013
CY2014
CY2015
CY2016
CY2017

Investor Presentation
Slide 58
Boffa/Santou
Refinery
As at 14 August 2008
Proposed capital expenditure
\$500m
\$501m-\$2bn
\$2bn+
SSM
Energy Coal
D&SP
Iron Ore
Base Metals
Petroleum
Met Coal
CSG
Manganese
Aluminium
2009
Execution
Atlantis
North
2013
Feasibility
Worsley
E&G
Future Options
Newcastle

Third Port
WA Iron Ore
Quantum 2
Potash -
Jansen
WA Iron Ore
Quantum 1
Angola
& DRC
WA Iron Ore
RGP 5
Turrum
DRC
Smelter
Maintenance of a deep diversified inventory of growth options
NWS Nth
Rankin B
Browse
LNG
Shenzi
Nth
Klipspruit
Thebe
Wards
Well
Scarborough
Caroona
WA Iron Ore
RGP 6
MKO
Talc
Corridor
Sands
Kennedy
Saraji
Exp
Red Hill
UG
Resolution
Neptune
Nth
GEMCO
Exp
Ekati
Guinea
Alumina
Angostura
Gas
HPX3
Maruwai

Stage 1
Knotty
Head
Samarco 4
Peak Downs
Exp (Caval
Ridge)
Macedon
CMSA Heap
Leach 1
Antamina
Exp
Newcastle
Third Port Exp
Mad Dog
West
Mt Arthur
Coal UG
Cerrejon
Opt Exp
Maruwai
Stage 2
Navajo Sth
Perseverance
Deeps
Mt Arthur Coal
OC
(MAC20)
Goonyella
Expansions
Escondida
Moly
New Saraji
Eastern
Indonesian
Facility
Douglas-
Middelburg
WA Iron Ore
RGP 4
Kipper
GEMCO
Shenzi
Alumar
Pyrenees
Olympic Dam
Expansion 1
CMSA Heap
Leach 2
CW Africa

Exploration
Escondida
3rd Conc
CMSA
Pyro
Expansion
Puma
Blackwater
UG
NWS
WFGH
Nimba
Olympic Dam
Expansion 3
RBM
Cannington
Life Ext
Potash
Gabon
Mt Arthur Coal
(MACX)
Olympic Dam
Expansion 2
NWS
CWLH
Bakhuis
Daunia
NWS
Angel
NWS
T5

Investor Presentation

Slide 59

0.0

3.0

6.0

9.0

12.0

15.0
FY2002
FY2003
FY2004
FY2005
FY2006
FY2007
FY2008
FY2009F
Exploration
Sustaining Capex
Growth
Expenditure
Capital & exploration expenditure
US\$bn
(1)
FY2009 includes
US\$700m for
Petroleum
FY2002
to
FY2005
are
shown
on
the
basis
of
UKGAAP.
Subsequent
periods
are
calculated
under
IFRS.
US\$ billion
FY2002
FY2003
FY2004
FY2005
FY2006
FY2007
FY2008
FY2009F
Growth
1.9
2.0
1.7
2.6
4.0

5.5
6.1
9.9
Sustaining & Other
0.8
0.7
0.9
1.3
2.1
1.6
1.8
2.1
Exploration
(1)
0.4
0.3
0.5
0.5
0.8
0.8
1.4
1.5
Total
3.1
3.0
3.1
4.4
6.9
7.9
9.3
13.5

Investor Presentation
Slide 60
Sanctioned development projects (US\$12.4bn)
On schedule and
budget
1-2 million tpa
Mid CY09

100
Met Coal
Maruwai Stage 1/Haju (Indonesia)
100%
On schedule and
budget
Third coal berth capable of
handling an estimated
30 million tpa
End CY10
390
Energy Coal
Newcastle Third Port (Australia)
35.5%
On schedule and
budget
10 million tpa export thermal
coal and 8.5 million tpa
domestic thermal coal
(sustains current output)
Mid CY10
975
Energy Coal
Douglas
Middelburg Optimisation
(South Africa)
100%
On schedule and
budget
1.1 million tpa
H1 CY11
1,900
Alumina
Worsley Efficiency and Growth
(Australia)
86%
On schedule and
budget
Incremental 1.8 million tpa
export coal
Incremental 2.1 million tpa
domestic
H2 CY09
450
Energy Coal
Klipspruit (South Africa)
100%
On schedule and
budget
Additional 1 million tpa

manganese concentrate

H1 CY09

110

Mn Ore

GEMCO (Australia)

60 %

On schedule and

budget

Increase system capacity to

155 million tpa

H1 CY10

1,850

Iron Ore

Western Australia Iron Ore RGP 4

(Australia)

86.2%

Schedule and

budget under review

2 million tpa

Q2 CY09

725

Alumina

Alumar Refinery Expansion (Brazil)

36%

Production Capacity (100%)

Progress

Initial

Production

Target Date

Share of

Approved

Capex

US\$m

Commodity

Minerals Projects

Investor Presentation

Slide 61

Sanctioned development projects (US\$12.4bn) cont.

On schedule and

budget

2,500 million cubic feet gas per

day

CY12

850

LNG

NWS North Rankin B (Australia)

16.67%

On schedule and

budget

11,000 bpd condensate and
processing capacity of 200
million cubic feet gas per day

CY11

625

Oil/Gas

Turrum

(Australia)

50%

On schedule and

budget

96,000 barrels of oil and 60
million cubic feet gas per day

H1 CY10

1,200

Oil/Gas

Pyrenees (Australia)

71.43%

On schedule and

budget

Tie-back to Atlantis South

H2 CY09

185

Oil/Gas

Atlantis North (US)

44%

On schedule and

budget

100,000 barrels and 50 million
cubic feet gas per day

Mid CY09

1,940

Oil/gas

Shenzi (US)

44%

On schedule and

budget

800 million cubic feet gas per
day and 50,000 bpd

condensate

End CY08

200

Oil/Gas

North West Shelf Angel (Australia)

16.67%

On schedule and
budget

10,000 bpd condensate and
processing capacity of 80
million cubic feet gas per day

CY11

500

Oil/Gas

Kipper

(Australia)

32.5%-50%

On schedule and
budget

LNG processing capacity 4.2
million tpa

Late CY08

350

LNG

North West Shelf 5th Train (Australia)

16.67%

Production Capacity (100%)

Progress

Initial

Production

Target Date

Share of

Approved

Capex

US\$m

Commodity

Petroleum Projects

Investor Presentation
Slide 62
Development projects in feasibility (US\$12.4bn)
Maintain Nickel West system
capacity
H2 CY13
500

Nickel

Perseverance Deeps (Australia)

100%

5.7 million tpa saleable coal

CY 2013

850

Energy Coal

Navajo South Mine Extension (USA)

100%

(1)

5 million tpa saleable coal

CY 2011

700

Energy Coal

Mt Arthur Coal UG (Australia)

100%

(2)

8 million tpa

H2 CY11

300

Energy Coal

Cerrejon (Colombia)

33.3%

Increase system capacity to 200

million tpa

H2 CY11

6,110

Iron Ore

Western Australia Iron Ore RGP 5

(Australia)

86.2%

(1)

3.7 million tpa export coal

H2 CY10

300

Energy Coal

Mt Arthur Coal OC MAC20 (Australia)

100%

3-5 million tpa clean coal

CY 2012

500

Met Coal

Maruwai

Stage 2/Lampunut (Indonesia)

100%

(1)

3 million tpa

CY 2010

250

Met Coal

Daunia
(Australia)
50%
3.3 million tpa
H2 CY11
1,700
Alumina
Guinea Alumina Project (Guinea)
33.3%
6.9 million tpa bauxite
H1 CY10
727
Bauxite
Bakhuis
100% (Suriname/ Paranam

45%)
Project Capacity
(100%)*
Forecast Initial
Production*
Estimated Share of
Capex*
US\$m
Commodity
Minerals Projects
(US\$4.7bn)

Note:

All
projects
in
feasibility
remain
under
review
until
they
are
approved
to
move
to
execution.

During
the
feasibility
phase
project
schedules

and capex are indicative only. However, from time to time estimates may be periodically reviewed as project milestones are ac

(1)

Project parameters are currently under review

(2)

Project now sequenced to follow Mount Arthur Coal OC (MAC20)

Investor Presentation

Slide 63

Development projects in feasibility (US\$12.4bn)

*

Indicative only

280 million cubic feet gas per day

H1 CY11

220

Gas

Angostura Gas (Trinidad & Tobago)

45%

60,000 barrels of oil and 90 million
cubic feet gas per day

H2 CY10

250

Oil/Gas

NWS CWLH (Australia)

16.67%

Project Capacity

(100%)*

Forecast Initial

Production*

Estimated Share of

Capex*

US\$m

Commodity

Petroleum Projects

(US\$600m)

Investor Presentation

Slide 64

Development projects commissioned since July 2001

Q2 CY04

Q2 CY04

80

83

WA
Iron
Ore
Accelerated
Expansion
(Australia)

85%
Mid CY04
Mid CY04
294
294
NWS Train 4 (Australia)

16.7%
Q1 CY04
Q2 CY04
266
299

Products
&
Capacity
Expansion
(Australia)

85%
Q1 CY04
Q1 CY04
33
50
Cerrejon
Zona
Norte
(Colombia)

33.3%
Q4 CY03
Q4 CY03
464
515
Ohanet (Algeria)

45%
Q4 CY03
Q2 CY04
411
449
Hillside 3 (South Africa)

100%
Q4 CY03
Q4 CY03
380

411
Mt
Arthur
North
(Australia)

100%
Q3 CY03
Q4 CY03
171
181
Area C (Australia)

85%
Q2 CY03
Q3 CY03
40
40
Zamzama (Pakistan)

38.5%
Q2 CY01
Q2 CY01
752
775

Antamina (Peru)
33.75%
Q4 CY02
Q2 CY03
34
50

Bream
Gas
Pipeline
(Australia)

50%
Q3 CY02
Q3 CY02
543
600

Escondida
Phase
IV
(Chile)

57.5%
Q3 CY02
Q3 CY02
143
146

San Juan Underground (US)

100%

Q2 CY02

Q2 CY02

120

138

Tintaya Oxide (Peru)

99.9%

Q3 CY01

Q3 CY01

114

128

Typhoon (US)

50%

Mozal

2

(Mozambique)

47.1%

Project

Q2 CY03

Q4 CY03

311

405

Initial Production Date

Our Share of Capex

Actual

Budget

Actual

US\$m

Budget

US\$m

Investor Presentation
Slide 65
Development projects commissioned since July 2001
Q2 CY06
H2 CY06
566
500

Escondida
Sulphide
Leach
(Chile)

57.5%
Q2 CY06
H2 CY06
501
489

Western Australia Iron Ore RGP2 (Australia)

85%
Q4 CY06
Q4 CY06
1,100
990

Spence (Chile)

100%
Q4 CY06
H2 CY06
88

(1)

88

BMA Phase 2 (Australia)

50%
Q2 CY06
Q1 CY06
188
165

Worsley
Development
Capital
Project
(Australia)

86%
Q4 CY05
Q3 CY05
33
29

Paranam Refinery Expansion (Suriname)

45%
Oct 2005
Q4 CY05
251
230

Escondida
Norte
(Chile)

57.5%

Mid CY05

Mid CY05

100

90.

BMA

Phase

1

(Including

Broadmeadow)

(Australia)

50%

April 2005

Mid CY05

200

200.

Dendrobium (Australia)

100%

April 2005

Early CY05

139

146

Panda Underground (Canada)

80%

Jan 2005

End CY04

337

327

Angostura (Trinidad)

45%

Jan 2005

End CY04

263

218.

Mad Dog (US)

23.9%

Q4 CY04

Q4 CY04

154

132

GoM Pipelines Infrastructure (US)

22/25%

Q4 CY04

Q4 CY04

101

95

Western Australia Iron Ore RGP (Australia)

85%

Q4 CY04

Q3 CY04

204

192

ROD (Algeria)

38%

Minerva (Australia)

90%

Project

Jan 2005

Q4 CY04

174

163.

Initial Production Date

Our Share of Capex

Actual

Budget

Actual

US\$m

Budget

US\$m

Investor Presentation
Slide 66
Development projects commissioned since July 2001
H1 CY08
H1 CY08
139
(1)

139

Cliffs (Australia)

100%

Q1 CY08

Q1 CY08

580

556

Yabulu

Extension (Australia)

100%

H1 CY08

H1 CY08

740

(1)

590

Samarco (Brazil)

50%

Q3 CY08

Q1 CY08

418

405

Neptune (US)

35%

Q4 CY07

Q4 CY07

144

(1)

140

Pinto Valley (USA)

100%

Q4 CY07

Q4 CY07

1,300

(1)

1,300

Western Australia Iron Ore RGP3 (Australia)

86.2%

Q4 CY07

Q1 CY08

2,086

2,200

Ravensthorpe (Australia)

100%

End CY07

End CY07

176

200

Koala Underground (Canada)

80%

Q2 CY08

Q2 CY08
389
380
Stybarrow
(Australia)

50%
H2 CY07
H2 CY07
1,630
(1)(2)
1,630
Atlantis South (US)

44%
H2 CY07
H2 CY07
365
365
Genghis Khan (US)

44%
H1 CY07
Mid CY07
140
(1)
100

Blackwater Coal Preparation (Australia)
50%

Project
Initial Production Date
Our Share of Capex
Actual
Budget
Actual
US\$m
Budget
US\$m
(1)

Actual cost subject to finalisation. (2) Actual cost subject to budgeted drilling of wells post-commissioning.

Investor Presentation

Slide 67

Key net profit sensitivities

US\$1/t on iron ore price

80

US\$1/bbl on oil price

35

US\$1/t on metallurgical coal price

25

USc1/lb on aluminium price

25

USc1/lb on copper price

20

US\$1/t on energy coal price

20

USc1/lb on nickel price

2

AUD (USc1/A\$) Operations

(2)

80

RAND (0.2 Rand/US\$) Operations

(2)

20

(US\$m)

Approximate impact

(1)
on FY 2009 net profit
after tax of changes of:

- (1) Assumes total volumes exposed to price
- (2) Impact based on average exchange rate for the period

