

Edgar Filing: RIO TINTO PLC - Form 425

RIO TINTO PLC
Form 425
May 19, 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 a presentation that was first given by Alberto Calderon, Chief Commercial Officer, BHP Billiton on May 14, 2008 and subsequently revised.

Sales Desk Update
Alberto Calderon, Chief Commercial Officer
14 May 2008
Sales Desk Update
Alberto Calderon, Chief Commercial Officer
14 May 2008

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Page 2
Disclaimer
This
document
has
been

prepared
by
BHP
Billiton
Limited
and
BHP
Billiton
Plc
(BHP
Billiton")
and
comprises
the
written
materials/slides
for
a
presentation
concerning
BHP
Billiton's
offers
for
Rio
Tinto
Limited
and
Rio
Tinto
plc
(Rio
Tinto).
By
reviewing/attending
this
presentation
you
agree
to
be
bound
by
the
following
conditions.
The
directors
of
BHP

Billiton
accept
responsibility
for
the
information
contained
in
this
presentation.
Having
taken
all
reasonable
care
to
ensure
that
such
is
the
case,
the
information
contained
in
this
presentation
is,
to
the
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of
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knowledge
and
belief
of
the
directors
of
BHP
Billiton,
in
accordance
with
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facts
and
contains

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omission
likely
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affect
its
import.
Subject
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above,
neither
BHP
Billiton
nor
any
of
its
directors,
officers,
employees
or
advisers
nor
any
other
person
makes
any
representation
or
warranty,
express
or
implied,
as
to,
and
accordingly
no
reliance
should
be
placed
on,
the
fairness,
accuracy
or
completeness

of
the
information
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in
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presentation
or
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views
given
or
implied.
To
the
extent
permitted
by
law,
neither
BHP
Billiton
nor
any
of
its
directors,
officers,
employees
or
advisers
nor
any
other
person
shall
have
any
liability
whatsoever
for
any
errors
or
omissions
or
any
loss
howsoever

arising,
directly
or
indirectly,
from
any
use
of
this
information
or
its
contents
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otherwise
arising
in
connection
therewith.
This
presentation
is
for
information
purposes
only
and
does
not
constitute
or
form
part
of
any
offer
or
invitation
to
acquire,
sell
or
otherwise
dispose
of,
or
issue,
or
any
solicitation

of
any
offer
to
sell
or
otherwise
dispose
of,
purchase
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securities,
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with,
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or
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decision,
nor
does
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constitute
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proposal
to
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bid
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of
any
vote
or
approval
in
any
jurisdiction,
nor
shall
there
be
any
sale
of
securities
in
any
jurisdiction
in
which
such
offer,
solicitation
or
sale
would
be
unlawful
prior
to
registration
or
qualification
under

the securities laws of any such jurisdiction (or under an exemption from such requirements). No offering of securities shall be made into the United States except pursuant to registration under the US Securities Act of 1933, as amended, or an exemption therefrom. Neither this presentation nor any copy of it

may
be
taken
or
transmitted
or
distributed
or
redistributed
(directly
or
indirectly)
in
Japan.
The
distribution
of
this
document
in
other
jurisdictions
may
be
restricted
by
law
and
persons
into
whose
possession
this
document
comes
should
inform
themselves
about,
and
observe,
any
such
restrictions.
Information
about
Rio
Tinto
is
based

on
public
information
which
has
not
been
independently
verified.
This
presentation
is
directed
only
at
persons
who
(i)
are
persons
falling
within
Article
49(2)(a)
to
(d)
("high
net
worth
companies,
unincorporated
associations
etc.")
of
the
Financial
Services
and
Markets
Act
2000
(Financial
Promotion)
Order
2005
(as
amended)
(the
"Order")
or

(ii)
have
professional
experience
in
matters
relating
to
investments
falling
within
Article
19(5)
of
the
Order
or
(iii)
are
outside
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United
Kingdom
(all
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persons
being
referred
to
as
"relevant
persons").
This
presentation
must
not
be
acted
on
or
relied
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by
persons
who
are
not
relevant
persons.
Certain

statements
in
this
presentation
are
forward-looking
statements.

The
forward-looking
statements
include
statements
regarding
contribution
synergies,
future
cost
savings,
the
cost
and
timing
of
development
projects,
future
production
volumes,
increases
in
production
and
infrastructure
capacity,
the
identification
of
additional
mineral
Reserves
and
Resources
and
project
lives
and,
without
limitation,
other
statements

typically
containing
words
such
as
"intends",
"expects",
"anticipates",
"targets",
"plans",
"estimates"
and
words
of
similar
import.
These
forward-looking
statements
speak
only
as
at
the
date
of
this
presentation.
These
statements
are
based
on
current
expectations
and
beliefs
and,
by
their
nature,
are
subject
to
a
number
of
known
and
unknown

risks
and
uncertainties
that
could
cause
actual
results,
performance
and
achievements
to
differ
materially
from
any
expected
future
results,
performance
or
achievements
expressed
or
implied
by
such
forward-looking
statements.
The
forward-looking
statements
are
based
on
numerous
assumptions
regarding
BHP
Billiton's
present
and
future
business
strategies
and
the
environments
in
which

BHP
Billiton
and
Rio
Tinto
will
operate
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the
future
and
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assumptions
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or
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correct.
There
are
a
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of
factors
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results
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statements.
Factors
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differ
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forward-looking
statements
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are
not
limited
to,
BHP
Billiton's
ability
to
successfully
combine
the
businesses
of
BHP
Billiton
and
Rio
Tinto
and
to
realise
expected
synergies
from
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combination,
the
presence
of
a
competitive
proposal
in
relation

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Rio
Tinto,
satisfaction
of
any
conditions
to
any
proposed
transaction,
including
the
receipt
of
required
regulatory
and
anti-trust
approvals,
Rio
Tinto's
willingness
to
enter
into
any
proposed
transaction,
the
successful
completion
of
any
transaction,
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well
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additional
factors
such
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changes
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global,
political,
economic,
business,
competitive,
market

or
regulatory
forces,
future
exchange
and
interest
rates,
changes
in
tax
rates,
future
business
combinations
or
dispositions
and
the
outcome
of
litigation
and
government
actions.
Additional
risks
and
factors
that
could
cause
BHP
Billiton
results
to
differ
materially
from
those
described
in
the
forward-looking
statements
can
be
found
in
BHP

Billiton's
filings
with
the
US
Securities
and
Exchange
Commission
(the
"SEC"),
including
BHP
Billiton's
Annual
Report
on
Form
20-F
for
the
fiscal
year-ended
June
30,
2007,
and
Rio
Tinto's
filings
with
the
SEC,
including
Rio
Tinto's
Annual
Report
on
Form
20-F
for
the
fiscal
year-ended
December
31,
2007,
which
are

available
at
the
SEC's
website
(<http://www.sec.gov>).
Other
unknown
or
unpredictable
factors
could
cause
actual
results
to
differ
materially
from
those
in
the
forward-looking
statements.
The
information
and
opinions
expressed
in
this
presentation
are
subject
to
change
without
notice
and
BHP
Billiton
expressly
disclaims
any
obligation
(except
as
required
by
law

or
the
rules
of
the
UK
Listing
Authority
and
the
London
Stock
Exchange,
the
UK
Takeover
Panel,
or
the
listing
rules
of
ASX
Limited)
or
undertaking
to
disseminate
any
updates
or
revisions
to
any
forward-looking
statements
contained
herein
to
reflect
any
change
in
BHP
Billiton's
expectations
with
regard
thereto
or

any
change
in
events,
conditions
or
circumstances
on
which
any
such
statement
is
based.

Page 3
Page 3
Disclaimer (continued)
Cautionary
Note
to
US

Investors

The
SEC
permits
oil
and
gas
companies,
in
their
filings
with
the
SEC,
to
disclose
only
proved
reserves
that
a
company
has
demonstrated
by
actual
production
or
conclusive
formation
tests
to
be
economically
and
legally
producible
under
existing
economic
and
operating
conditions.
BHP
Billiton
uses
certain
terms
in

this
presentation,
such
as
probable
reserves
and
"contingent
resources",
that
the
SEC's
guidelines
strictly
prohibit
oil
and
gas
companies
from
including
in
filings
with
the
SEC.
US
Investors
are
urged
to
consider
closely
the
disclosure
in
BHP
Billiton
Annual
Report
on
Form
20-F
for
the
year
ended
June
30,
2007,

File
No.
001-09526
(for
BHP
Billiton
Limited)
and
File
No.
001-31714
(for
BHP
Billiton
Plc),
available
from
BHP
Billiton
at
BHP
Billiton
Limited,
180
Lonsdale
Street,
Melbourne,
Victoria,
3000
Australia
or
at
BHP
Billiton
Plc,
Neathouse
Place,
Victoria,
London,
United
Kingdom.
You
can
also
obtain
the
BHP
Billiton s
Annual
Report

from
the
SEC
by
calling
1-800-SEC-
0330
or
by
visiting
the
SEC's
website
(<http://www.sec.gov>).

The
SEC
generally
permits
mining
companies
in
their
filings
with
the
SEC
to
disclose
only
those
mineral
deposits
that
the
company
can
economically
and
legally
extract.
Certain
terms
in
this
presentation,
including
"resource",
would
not
generally

be
permitted
in
an
SEC
filing.
The
material
denoted
by
such
terms
is
not
proven
or
probable
Reserves
as
such
terms
are
used
in
the
SEC's
Industry
Guide
7,
and
there
can
be
no
assurance
that
BHP
Billiton
will
be
able
to
convert
such
material
to
proven
or
probable
Reserves

or
extract
such
material
economically.

BHP

Billiton

urges

investors

to

refer

to

its

Annual

Report

on

Form

20-F

for

the

fiscal

year

ended

June

30,

2007,

for

its

most

recent

statement

of

mineral

Reserves

calculated

in

accordance

with

Industry

Guide 7.

Information Relating to 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

Registration Statement (the "Registration Statement"), which will contain a prospectus (the "Prospectus"), as well as other re-

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
ADRs
ARE
URGED
TO
READ
ANY
REGISTRATION
STATEMENT,
PROSPECTUS
AND
ANY
OTHER
DOCUMENTS
MADE
AVAILABLE
TO
THEM
AND/OR
FILED
WITH
THE
SEC
REGARDING
THE
POTENTIAL

TRANSACTION,
AS
WELL
AS
ANY
AMENDMENTS
AND
SUPPLEMENTS
TO
THOSE
DOCUMENTS,
WHEN
THEY
BECOME
AVAILABLE
BECAUSE
THEY
WILL
CONTAIN
IMPORTANT
INFORMATION.

Investors
and
security
holders
will
be
able
to
obtain
a
free
copy
of
the
Registration
Statement
and
the
Prospectus
as
well
as
other
relevant
documents
filed
with
the
SEC

at
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
without
charge,
once
they
are
filed
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
Rio
Tinto
Limited
Offer.
Accordingly,
Rio
Tinto
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
disclosure
requirements
of
a

foreign
country
that
are
different
from
those
of
the
United
States.
Financial
statements
included
in
the
document
will
be
prepared
in
accordance
with
foreign
accounting
standards
that
may
not
be
comparable
to
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
US
It
may
be
difficult
for
you
to
enforce
your
rights
and
any
claim
you
may
have
arising
under
the
US
federal
securities
laws,
since
the
issuers
are
located
in
a
foreign
country,
and
some
or
all
of
their

officers
and
directors
may
be
residents
of
foreign
countries.
You
may
not
be
able
to
sue
a
foreign
company
or
its
officers
or
directors
in
a
foreign
court
for
violations
of
the
US
securities
laws.
It
may
be
difficult
to
compel a
foreign
company
and
its
affiliates
to
subject
themselves
to

a
US
court's
judgment.
You
should
be
aware
that
BHP
Billiton
may
purchase
securities
of
Rio
Tinto
plc
and
Rio
Tinto
Limited
otherwise
than
under
the
exchange
offer,
such
as
in
open
market
or
privately
negotiated
purchases.
References
in
this
presentation
to
\$
are
to
United
States
dollars
unless
otherwise

specified.

Page 4
Resourcing
the future
BHP Billiton Petroleum update
Merrill Lynch conference
Update on growth
Page 4

Page 5

BHP Billiton Petroleum

Reserve misconceptions corrected

These assets can be very long life

BHP Billiton Petroleum targets +20 year life assets

Proved Reserves 1,353 mmboe PLUS probable Reserves plus 2C Contingent Resources 2,241 mmboe =
Total Resources 3,594 mmboe

With capital and expertise any competent E&P company can replace
reserves for <\$20/bbl,

BHP Billiton Petroleum 3 year average <US\$15/bbl

Greater than 100% reserve replacement expected in FY08

Page 5

Source: BHP Billiton.

Notes: Historical information. Future production is mid point estimate based on an array of future scenarios.

BHP Billiton attributable production

(Annual production, mmboe)

History

Projected

Bass Strait

NWS

Page 6

Page 6

BHP Billiton Petroleum

Operating performance is strong

Significant improvements in safety performance

3 LTIs YTD (9 mos) vs. 20 in FY06

Significant improvement in uptime performance

3QFY08: 93.5% vs. 1QFY07: 89.0%

Well into new projects coming on line

Average daily production for Apr-08 was 378 kboed
vs. ~318 kboed FY06/FY07

Industry leading deepwater drilling performance

GOM 7 year average 3.29 days/1000 feet, 45%
better than peer average

Unit operating costs holding steady ~US\$5.00/boe

Rising to ~US\$6.00/boe over next 4 years

Unit DD&A at ~US\$6.00/boe worldwide

Expected to rise as major projects come on-line

1H 08 Underlying EBIT US\$1,972m

0

5

10

15

20

25

2005
2006
2007
1H08

0
5
10
15
20
25

2005
2006
2007
1H08

Cash operating costs

(US\$/boe)

DD&A

(US\$/boe)

Peers

Peers

a) Peer group includes: Anadarko, Apache, Devon, Hess, Murphy, Noble, Talisman, and Woodside.

Source: BHP Billiton, John S. Herold, Inc. and annual reports.

(a)

(a)

Page 7
0
50
100
150
200
FY07

FY08E

FY09E

FY10E

FY11E

Page 7

BHP Billiton Petroleum

Financial outlook is underpinned by growth and price

BHP Billiton net production forecast

(mmboe/yr)

Gas and LNG contracts pricing structure

(Contract breakdown)

Forecast volume growth of ~10% CAGR to FY11, underpinned by projects in execution

Oil

price

environment

expected

to

remain

robust,

excellent

fiscal

regimes

captures

full

upside

LNG market major shift in demand-supply fundamentals and crude price linkages

LNG

contract

reopeners

are

leading

to

large

price

increases

-

tied

to

crude

New, large volume LNG contracts capture current crude price terms

a)

Includes

pricing

structures

closely
linked
to
uncapped
market
indices.

Liquid

Gas

0%

20%

40%

60%

80%

100%

FY08E

FY09E

FY10E

FY11E

FY12E

Contracts with NO Reopener

Contracts with reopener (a)

Contracts to expire within 4yrs

Short term sales (0-4yrs)

Page 8
Page 8
BHP Billiton Petroleum
Ahead: Inventory of future projects under design and evaluation
Petroleum HQ
Algeria
UK

Pakistan
Gulf of Mexico
Mad Dog West (23.9%)
Subsea tie-back
Puma (29.8%)
Subsea tie-back
Shenzi
N (44%)
Subsea tie-back
Neptune N (35%)
Subsea tie-back
Knotty Head (25%)
Deepwater development
Macedon (71.43%)
Subsea wells and gas plant
Thebe (100%)
LNG development
Scarborough (50%)
LNG development
Browse LNG (10.5%)
LNG development
Trinidad
Angostura Gas (45%)
Gas field development
W Australia
OIL
GAS
LNG
Bass Strait
Turrum
(50%)
Gas field development
NWS CWLH (16.67%)
Replacement
of
FPSO
and
associated
subsea
facilities
North West Shelf
NWS WFGH (16.67%)
Gas field development

Page 9
Page 9
BHP Billiton Petroleum
An E&P player with the power and reach of a super-major
Market capitalisation
(US\$ bn
April 2007)

Credibility and stature that Petroleum could not secure in its own right

A unique offer to major resource holder governments, NOCs and other potential partners

The corporate stature and financial strength of an oil super-major

A strong track record in building and operating major resource projects

Our domicile is of lower political sensitivity

Petroleum is a credible partner with recognised expertise in key areas

0

50

100

150

200

250

Murphy Oil Corp

Nexen

Talisman

Canadian Oil

OMV AG

Petro-Canada

Chesapeake

Hess

PTT

Anadarko

EOG Resources

XTO Energy

Marathon

Husky Energy

Woodside

Canada Natural

Apache

Repsol YPF

Suncor Energy

Devon Energy

Imperial Oil

Encana

Occidental

BG Group

Statoilhydro

Conocophillips

ENI

Chevron

Total

BP

BHP Billiton

Royal Dutch

Exxon Mobil

Integrated

E&P

(1)

Source: Bloomberg.

Note: Exxon Mobil US\$452bn.

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Resourcing
the future
BHP Billiton Petroleum update
Merrill Lynch conference
Update on growth

Page 11
Merrill Lynch Conference
Diversified and balanced across high margin commodities
Underlying EBITDA
(12 months, US\$bn)
Underlying EBITDA margin
(a)

(CY07, 12 months)

Note: Historical financial information has been restated for comparative purposes per note 1 of BHP Billiton's half-year financial statements. FY2002 EBITDA numbers are presented in accordance with UK GAAP whereas CY07 is based on IFRS (so underlying EBITDA numbers are not directly comparable).

a) EBITDA margin excludes third party sales.

Iron ore

75%

Manganese

Energy coal

Metallurgical coal

52%

52%

Diamond and

specialty products

Base metals

40%

43%

36%

Petroleum

70%

Stainless

steel materials

Aluminium

34%

23%

0

6,000

12,000

18,000

24,000

FY02

CY07

4,677

23,623

Iron Ore

Manganese

Met. Coal

Petroleum

Energy Coal

Aluminium

Base Metals

Stainless

Steel

Diamond & Specialty

Products

Non

ferrous

(56%)

Energy

(21%)

Carbon

Steel
Materials
(22%)

Page 12
Merrill Lynch Conference
Significant price increases across all product groups
552%
512%
337%
Met. Coal

Manganese

Iron Ore

421%

228%

90%

Copper

Nickel

Aluminium

491%

346%

163%

Uranium

Oil

Energy Coal

a) Hard

coking

coal

based

on

Peak

Downs/Goonyella/Hay

Point

FOB.

JFY2008

forecast

prices

calculated

based

on

206-240%

increase

above

JFY2007

benchmark

per

BHP

Billiton

announcement

9-Apr-2008.

b) Manganese based on GEMCO lump ore contract FOB. JFY2008 prices based on recent manganese spot price settlement rep

c) Iron ore

based

on

benchmark

FOB

prices.

JFY2008

forecast

prices

calculated
based
on
65-71%
increase
above
JFY2007
benchmark

per
Vale
settlement
for
Itabira
fines.

d) Copper listed on the London Metal Exchange (LME).

e) Nickel listed on the London Metal Exchange (LME).

f) Aluminium

listed on the London Metal Exchange (LME).

g) Uranium NEUXCO spot prices.

h) WTI Crude Oil listed on the New York Mercantile Exchange (NYMEX).

i) Energy Coal (Powder River Basin).

Carbon Steel Materials

Non-Ferrous

Energy

(a)

(b)

(c)

(d)

(e)

(f)

(g)

(h)

(i)

2008
Interim
Financial
Results
Announcement,
Goldman
Sachs
JBU
Research.
a) Iron
equivalent
production
based
on
coking
coal
and
manganese
production
converted
to
iron
ore
equivalent
tons.
Prices
estimated
by
dividing
CY07
revenue
by
CY07 production.
Includes
production
and
EBIT
from
Iron
Ore,
Coking
Coal
and
Manganese.
Production
calculated
on
BHP
Billiton
figures

for
the
last
twelve
months,
calendarised
to
31-Dec-2007.

Merrill Lynch Conference

Our Carbon Steel Materials assets are Tier 1

Iron Ore

Coking Coal

Manganese

27.4

103.5

62.5

Iron ore equivalent production

(a)

(CY07, mt)

193.3

1.1

0.6

3.0

4.7

Underlying EBIT

(12 months, US\$bn)

Carbon Steel Materials (Iron Ore,
Coking Coal and Manganese)

Resource and mineralisation that
supports production for more than 50
years in both Coking Coal and Iron Ore

Large high grade ore bodies,
concentrated around key infrastructure

Very low cost curve position and close
proximity to Asian growth market

Project development and production
growth record, the equal of its peers

Page 14

0

200

400

600

800

1,000

1,200
1,400
1,600
FY91
FY92
FY93
FY94
FY95
FY96
FY97
FY98
FY99
FY00
FY01
FY02
FY03
FY04
FY05
FY06
FY07
FY08

Escondida Norte +
Sulphide Leach
Phase IV + Laguna
Seca Concentrator
Oxide Plant Expansion
Phase 3.5 +
Oxide Plant
Phase III
Phase I + II

Copper production at Escondida
(Tonnes, 000)

Source: BHP Billiton estimates.

Merrill Lynch Conference

Escondida demonstrates the true value of Tier 1 assets

Original plan: 320kt of copper a year

Tier 1 Assets

Tier 1 assets are large, long-life,
low-cost and expandable resources
that generate exportable
commodities

This means that they can deliver
more value for longer. They are
robust in the down-cycle

But the real value of Tier 1 is
revealed during times of high prices
when they can be expanded as

needed to meet increased demand

Sometimes several times

Staged development maximises
return

Page 15

Merrill Lynch Conference

Staged development of Olympic Dam appears the key

a) Does not include silvers approximate \$1 per tonne.

Source: Resources, metal grades and recover rates obtained from the BHP Billiton FY2007 Annual Report. Prices as at 30 Apr

29

Olympic Dam

Escondida

71

106

6

33

20

180

150

190

190

730

4.0 +

0.5

4.5

5

5

=19

100 +

20

280

200

200

=800

Copper

kt

p.a.

Uranium

kt

p.a.

Gold

koz

p.a.

Gross average revenue yield by
per tonne of resource

(a)

(US\$)

Staged development concept

-

forecast production at each stage

Expansion stages

1.2&1.3

1.1

2.0

3.0

Today

Full

produc-

tion

Page 16
Resourcing
the future
BHP Billiton Petroleum update
Merrill Lynch conference
Update on growth

Page 17
Update On Growth
Copper equivalent: care required for future projections
Approach

Converting all production to a common basis allows volumes of different commodities to be aggregated and compound annual growth rates per annum (CAGR) to be calculated

Copper equivalent conversion achieves this in a simplistic way
Price used to convert

Long term consensus prices used to convert key commodities to the common basis
Which projects, what years?

Volumes include attributable production from existing operations, plus new production through
expansions of existing operations and development of new greenfield projects

Time frame of CY07 to CY12 used

Use of CY07 as base year anchors growth rates on most recent, actual results*

Five year forecast used as better able to gauge likelihood of projects. Projects beyond the
five year time frame typically have much greater risks and uncertainty

Index vs absolute?

Indexed does not show scale and scale matters

Unrisked or risked?

Unrisked removes subjectivity, whilst nearer term focus on deliverable volumes reduces
likelihood
of
aspirational
projects
Value Considerations

Absolute copper equivalent units show scale, which is a significant driver of project economics

Copper equivalent units do not consider profitability

Note

*:

Rio

Tinto

adjusted

for

Alcan

acquisition

(full

year

PF

included

for

CY07) .

capital expenditure

SSM

Energy Coal

D&SP

Iron Ore

Base Metals

Petroleum

Met Coal

CSG

Manganese

Aluminium

2008

Execution

Neptune

Atlantis

North

Klipspruit

GEMCO

Zamzama

Phase 2

2013

Feasibility

Maruwai

Stage 1

Mt Arthur

Coal UG

Future Options

Newcastle

Third Port

Mad Dog

West

Cerrejon

Opt Exp

Angostura

Gas

Update On Growth

BHP Billiton has an attractive growth profile of significant scale

Navajo

Sth

Bakhuis

Maruwai

Stage 2

Antamina

Exp

Maya

Nickel

SA Mn

Ore Exp

Blackwater

UG

Red Hill
UG
GEMCO
Exp
Shenzi
Nth
Kennedy
<\$500m
\$501m-\$2bn
\$2bn+
Hallmark
CW Africa
Exploration
Knotty
Head
NWS
WFGH
Puma
Olympic Dam
Expansion 2
Wards
Well
MKO
Talc
Corridor
Sands 2
CMSA
Pyro
Expansion
RBM
Thebe
DRC
Smelter
Cannington
Life Ext
CMSA Heap
Leach 2
Nimba
Goonyella
Expansions
Scarborough
Olympic Dam
Expansion 3
Olympic Dam
Expansion 1
Angola
& DRC
WA Iron Ore
Quantum 1
Caroona

Corridor
Sands 1
Saraji
Browse
LNG
Eastern
Indonesian
Facility
Resolution
Samarco
4
Peak Downs
Exp
KNS
Exp
Macedon
CMSA Heap
Leach 1
Ekati
Neptune
Nth
Daunia
Canadian
Potash
Escondida
3rd Conc
Turrum
WA Iron Ore
RGP 5
NWS Nth
Rankin B
WA Iron Ore
RGP 4
NWS
Angel
Kipper
NWS
T5
Shenzi
Worsley
E&G
Samarco
Cliffs
Douglas-
Middelburg
Pyrenees
WA Iron Ore
Quantum 2
Perseverance
Deeps

NWS
CWLH
Gabon
Boffa/Santou
Refinery
Guinea
Alumina
Alumar

Page 19
0
2,000
4,000
6,000
8,000
10,000

12,000
14,000
CY07
CY08
CY09
CY10
CY11
CY12

Update On Growth

BHP Billiton has an attractive growth profile of significant scale

Copper Equivalent Tonnes '000

Production in copper equivalent tonnes

Simple Copper Equivalent

Focused on deliverable
growth over the next five
years

Commence from CY07, a
year of known production

BHP Billiton 6.9% CAGR,
and growing from 8.2 million
tonnes of Cu equivalent to
11.4 million tonnes of Cu
equivalent

Rio Tinto on the same basis
shows a growth rate of 6.0%
CAGR but of lesser scale

BHP Billiton

Rio Tinto

Note:

Copper
equivalent
units
calculated

using

BHP

Billiton

(BHPB)

estimates

for

BHPB

production;

Rio

Tinto

forecasts

for

Rio

Tinto s
iron
ore,
copper,
alumina
and
aluminium
production
per
Rio
Tinto
presentation
13
May
2008,
with
Aluminium
forecast
adjusted
to
exclude
Coega
project
(BHPB
estimate).
BHPB
estimates
used
for
Rio
Tinto s
production
in
other
commodities.
Production
volumes
exclude
Rio
Tinto
Alcan s
Engineered
and
Packaging
operations,
Industrial
Minerals,
Lead
and
Zinc

businesses;
BHPB s
Specialty
Products
operation;
all
bauxite
production.
All
energy
coal
businesses
are
included.
Alumina
volumes
reflect
only
tonnes
available
for
external
sale.
Conversion
of
production
forecasts
to
copper
equivalent
units
completed
using
long
term
consensus
price
forecasts,
plus
BHPB
assumptions
for
diamonds,
domestic
coal
and
manganese.
Rio
Tinto s
CY07

production

volumes

include

pro-forma

full

year Alcan alumina and aluminium as per 12 March 2008 announcement.

Estimated &

unrisked

BHB Billiton

Rio Tinto

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Update On Growth

BHP Billiton's growth capital expenditure is focused on high margin commodities

Source: BHP Billiton analysis. EBIT margin excludes third party trading.

Note: BHP Billiton margins are actual CY07 margins.

Carbon Steel Materials

Non-Ferrous
Energy
Margins matter

Cu equivalent production is
based on implied revenue

\$1 million of revenue from
energy coal
calculates to the
same tonnage
of copper
equivalent as \$1 million of
revenue from **petroleum**

One tonne of petroleum
derived copper is worth more
than 4 times as much as one
tonne of energy coal derived
copper
Using BHP Billiton CY07
EBIT margins

Page 21

64%

61%

47%

47%

37%

Copper

Petroleum

Nickel

Iron Ore

Aluminium

Update On Growth

BHP Billiton's growth capital expenditure is focused on high margin commodities

EBIT Margin %

EBIT Margin %

20%

46%

63%

41%

14%

Aluminium

Iron Ore

Copper

Uranium

Energy Coal

Source: BHP Billiton analysis.

Note: BHP Billiton margins are actual CY07 margins excluding third party trading. Rio Tinto margins are actual where reported set at BHPB level.

a) Excluding mean synergies, and excludes Rio Tinto Alcan Engineering and Packaging.

Top 5 Divisional CY07 EBIT Margin by Commodity

BHP Billiton CY07

Rio Tinto CY07

(a)

Ranked by

order of

contribution to

EBIT CY07

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Update On Growth
Capital cost and risk matter
Growth in Copper Equivalent Tonnes (CY07-12)
Production growth from brownfield expansions vs
greenfield development
0

500
1,000
1,500
2,000
2,500
3,000

BHB Billiton

Rio Tinto

Brownfield

Greenfield

82%

78%

22%

18%

Source: BHP Billiton analysis. Rio Tinto excludes Coega greenfield project development.

Brownfield

Expansions or additional
developments of, or around
existing operations

Lower cost and lower risk

BHP Billiton 82% of growth in
copper equivalent units (CY07-12)

Greenfield

Development of a new operation
where no operations exist to
ameliorate risk or cost

BHP Billiton 18% of growth in
copper equivalent units (CY07-12)

