

Presentation to Parliamentary Portfolio Committee on Foreign Affairs

October 2006



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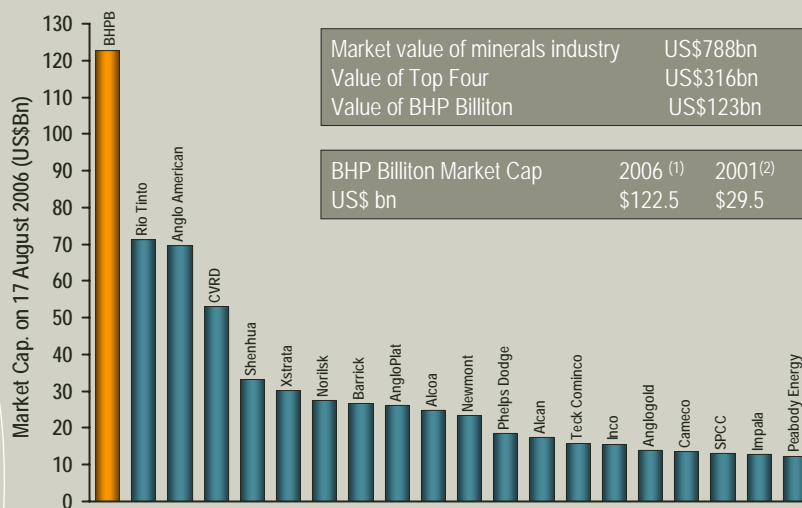
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- Who are we?
- Our values and our overriding commitment to Sustainability
- Public-private partnerships and Foreign Policy
- Mozal – win-win partnerships in post-conflict resolution
- Opportunities for collaboration
- The way forward

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The largest company in a consolidating sector



Market value of minerals industry	US\$788bn
Value of Top Four	US\$316bn
Value of BHP Billiton	US\$123bn

BHP Billiton Market Cap	2006 ⁽¹⁾	2001 ⁽²⁾
US\$ bn	\$122.5	\$29.5

Source: Datastream and Bloomberg (data as at 17 August 2006)

1. Market Capitalisation on 17 August 2006
 2. Market Capitalisation on 28 June 2001

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Structure driven by customer needs

Petroleum



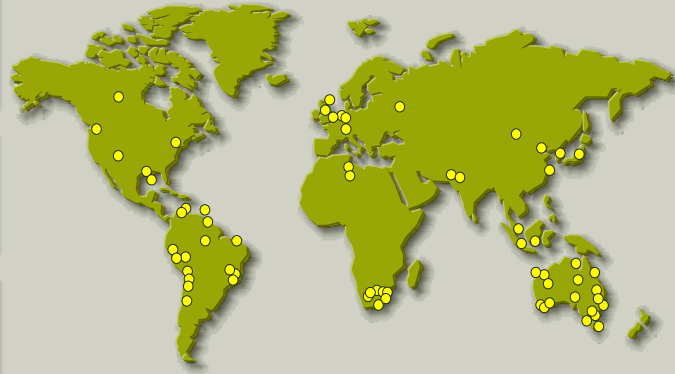
Aluminium



Base Metals



Carbon Steel Materials



Diamonds & Spec Prod



Energy Coal



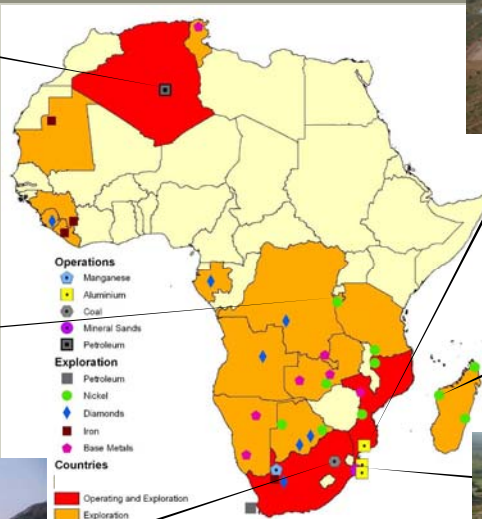
Stainless Steel Materials

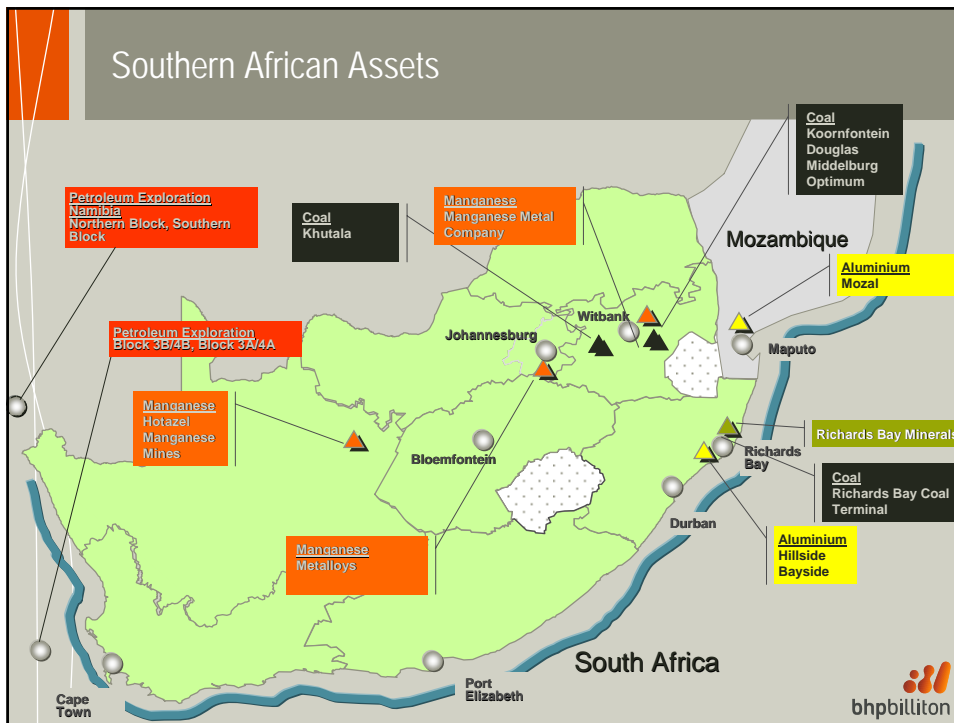


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A strong commitment to Africa





Creating sustainable value – our guiding principles

BHP BILLITON CHARTER

WE ARE BHP BILLITON, A LEADING GLOBAL RESOURCES COMPANY.

Our purpose is to create long-term value through the discovery, development and conservation of natural resources, and the provision of innovative customer and market-focused solutions.

To prosper and achieve real growth, we must:

- actively manage and build our portfolio of high-quality assets and services;
- continue the drive towards a high performance organization in which every individual accepts responsibility and is committed to results;
- earn the trust of employees, customers, suppliers, communities and shareholders by being forthright in our communications and consistently delivering on our commitments.

Our values:

- **Safety and the Environment** – An unwavering commitment to health, safety, environmental responsibility and sustainable development.
- **Integrity** – Doing what we say we will do.
- **High Performance** – The achievement and fulfillment of achieving superior business results and stretching our capabilities.
- **Win-Win Relationships** – Healthy relationships which focus on the creation of value for all parties.
- **The Courage to Lead Change** – Accepting the responsibility to initiate and deliver positive change in the face of adversity.
- **Respects for Each Other** – The understanding of diversity, enriched by openness, sharing, trust, teamwork and involvement.

We are successful in creating value when:

- our shareholders are realizing superior returns on their investments
- our customers and suppliers are benefiting from our business relationships
- the communities in which we operate value our citizenship
- every employee starts each day with a sense of purpose and ends each day with a sense of accomplishment.

Clive Goodwin
 Chief Executive Officer
 August 2008

We are committed to sustainable development.

Guiding Principles – Sustainable Development

Our vision is to be the company of choice. Central to this is Zero Harm.

OUR APPROACH TO HEALTH, SAFETY, ENVIRONMENT AND THE COMMUNITY

BHP BILLITON'S SUSTAINABLE DEVELOPMENT POLICY

At BHP Billiton our objective is to be the company of choice – creating sustainable value for our shareholders, employees, contractors, suppliers, customers, business partners and host communities.

We agree to Zero Harm to people, our host communities and the environment and strive to achieve leading industry practice. Sound principles to govern safety, business conduct, social, environmental and economic activities are integral to the way we do business.

Wherever we operate we will develop, implement and maintain management systems for sustainable development that drive continual improvement and ensure we:

- do not compromise our safety values, and seek ways to promote and improve the health of our workforce and the community
- identify, assess and manage risks to employees, contractors, the environment and our host communities
- understand business practices and meet or where less stringent than our standards, exceed applicable legal and other requirements
- understand, promote and uphold fundamental human rights within our sphere of influence, respecting the traditional rights of indigenous peoples and including cultural heritage
- manage a diverse workforce and provide a work environment in which everyone is treated fairly, with respect and can make their full potential
- set and achieve targets that promote efficient use of resources and reduce reducing and preventing pollution
- evaluate biodiversity protection by assessing and monitoring ecological values and set and manage to be consistent, operational and closure activities
- engage regularly, openly and honestly with people affected by our operations, and take their views and concerns into account in our decision-making
- develop partnerships that foster the sustainable development of our host communities, enhance economic benefits from our operations and contribute to poverty alleviation
- work with those involved through the lifecycle of our products and by-products to promote their responsible use and management
- regularly measure our performance and publicly report our progress.

In implementing this Policy, we will engage with and support our employees, contractors, suppliers, customers, business partners and host communities in sharing responsibility for meeting our requirements.

We will be successful when we achieve our targets to avoid Zero Harm, are valued by our host communities, and provide lasting social, environmental and economic benefits to society.


Chip Goodger
Chief Executive Officer
September 2005



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Creating value at a local level – our communities

- Sustainable development at every level is fundamental to our success – our licence to operate depends on the responsible operation of all aspects of our business:
 - A strong track record of being valued by our communities will contribute to us being considered a 'company of choice' by governments, business partners and communities
 - We are in a better position to attract and retain a skilled and motivated workforce
 - Our reputation as an ethical, responsible business will assist in our ability to attract capital to continue to grow our business

We aim to be a business that creates a positive legacy



BHP Billiton in summary

- World's largest diversified resources company
- Sustainable development is integral to our business
- Our people are our most significant asset and number one priority – Zero Harm drives all our operations
- Our large base of low-cost, high quality assets provides stable cash flow and visibility to new opportunities across the world
- Our size and diversity means we can generate benefits through Operational Excellence
- Our growth pipeline distinguishes us from our competitors – our current project pipeline includes 23 projects in execution or feasibility worth almost US\$14 billion – R105-billion (Includes the Douglas-Middelburg Optimisation Project in Mpumalanga – US\$400-million – R2.8-billion)

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The SA arm of a Global Company

- SA is the springboard for BHP Billiton's exploration activities in Africa (over 50% of the global minerals exploration budget in the 2006 financial year was spent on Africa exploration)
- Offices in DRC and Guinea report in to Johannesburg
- BHP Billiton is experienced in operating in Africa and is not an Afro-pessimist or afraid of African risk
- Access to global best practice and implementation of that practice in Africa. Governance, Health, Safety, Environment and Community practices are implemented exactly as they are elsewhere in the world. No compromise on our commitment to sustainability and governance

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The role of Public-Private Partnerships and Foreign Policy

- Guiding Principles

- A strong foreign policy depends on a strong domestic economy
- BHP Billiton is a major contributor to the South African economy (implicit support for foreign policy).
- Foreign governments attach more importance to a country if that country is an investor in their country
- BHP Billiton flies the flag for SA in many other countries. Opportunities to leverage our reputation and adherence to global best practice
- Business and government cannot replace each other, but should look for areas of common interest and collaboration
- Business and government cannot do without each other
- Emphasis on win-win relationships – Partnership with DME on energy in SADC region

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The role of Public-Private Partnerships and Foreign Policy

- Common interests between the South African Government and BHP Billiton in Africa:

- A stable continent
- Conflict resolution
- Poverty alleviation
- Major investments
- Our Values – eg a stand against corruption

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Examples of successful relationships

- Democratic Republic of Congo:
 - Close working relationship with the Department of Foreign Affairs and the South African Ambassador in DRC has resulted in doors opening in DRC
 - Co-operation MOU signed in DRC
- Guinea
 - Visit with DME to Conakry in June 2006
 - Recent visit by Guinean Ministerial delegation to Johannesburg and Maputo (including Mozal)
- We have not yet fully exploited the potential of a full partnership
- Partnership with governments of South Africa, Mozambique and Swaziland on malaria reduction program

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Partnerships in Post-Conflict Reconstruction (Mozal)

- Effective confidence-building interventions
- Economic regeneration (export earnings doubled)
- Infrastructure development and reconstruction benefits Governments, Communities and Business
 - Mozal investment led to local infrastructure upgrade valued at R 235million including roads, bridges and port facilities
- BHP Billiton able to absorb the risk associated with post-conflict investment of this magnitude

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Mozal: A win-win in post-conflict reconstruction

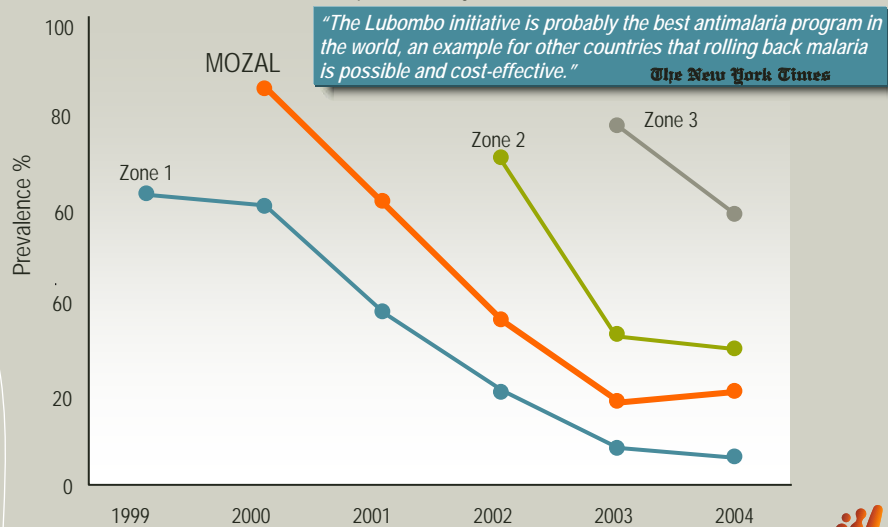
- Owners
 - Low-cost, high-quality, value adding, long-life asset – one of top aluminium smelters in the world
- Mozambican Government
 - Benefits as shareholder
 - Job creation and training
 - Development of local small and medium enterprises
 - Established Mozambique as country where mega projects can succeed
- Region
 - Strengthened power system in Mozambique and Swaziland
 - Regional co-operation in line with NEPAD objectives
- South Africa
 - >R3.5 billion spent with SA companies for goods and services
 - Utilising Eskom's stranded power
 - IDC making its first major external investment

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Mozal Case Study Lubombo Spatial Development Initiative

Malaria Prevalence in Mozambique (2 - <15 years)



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The key - partnerships

- Participation in EU-ACP Joint Parliamentary sittings in Edinburgh 2005 and Vienna 2006
 - Enabled effective addressing of REACH proposed legislation which in its current form will negatively impact African countries.
 - Unified SADC message in partnership at BHP Billiton-hosted events including MEPs and ambassadors
 - Follow-up meeting with Commissioner Michel on EU-Africa Business Forum in October 06
 - EU-Africa Business Forum. BHP Billiton is a member and has been asked to present at the first meeting on 16-17 November on governance and corporate ethics, as well as on Mozal
 - BHP Billiton's message is one of commitment to investing in Africa
 - Opportunity to leverage business in the message of providing a positive leadership role in the region

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Facilitating discussion on REACH



EU-ACP Joint
Parliamentary
Assembly
Edinburgh
November 2005



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EU-Africa Business Forum



EU-ACP Joint Parliamentary Assembly
Vienna June 2006 – BHP Billiton-hosted
events included exhibition, discussion
forum and dinner for SADC ambassadors
and MEPs

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Summary – the opportunities for collaboration

- BHP Billiton promotes South Africa as an investment destination by its significant presence in SA and contribution to the SA economy
- “Put your money where your mouth is” principle
- Mutual reinforcement of common values – NEPAD-BHP Billiton Values (utmost transparency and governance)
- Leveraging of global funding – collaboration with SA Government, other African Governments and international funding institutions (eg Malaria Program)
- Infrastructure development
- BHP Billiton has a presence on the ground in many countries and can be a valuable resource for information for Foreign Affairs. In return, Foreign Affairs can help by adding its weight to BHP Billiton where the SA Government has a presence
- Opportunities of retired experts being available for specific projects with Government

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The way forward

- Although some partnerships have been highly effective, the approach thus far has been on an ad-hoc basis and somewhat haphazard
- We propose a formal forum is needed to understand each other's priorities and see where opportunities for mutual support may be (meet once or twice a year)
- We have presented the BHP Billiton story today and we believe there are other companies and business forums which can bring similar opportunities to the table

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Thank You

Questions?

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Annexures and additional information

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Activities in Southern Africa

- Aluminium:
Hillside, Bayside & Mozal (47%) smelters, total 1.3 Mtpa;
axis contributes 7% of world aluminium.
- Energy Coal:
SA's largest coal producer at 54 Mtpa;
31.28Mt to Eskom power utility, remainder exported via RBCT
- Richards Bay Coal Terminal: (37% shareholding)
- Manganese: Samancor, 60/40 with Anglo American, operated by BHP Billiton. Ores and alloys
- Richards Bay Minerals: Titanium producer, 50/50 with Rio Tinto
- Exploration: Oil & Gas; Diamonds (Falcon); others in Africa.

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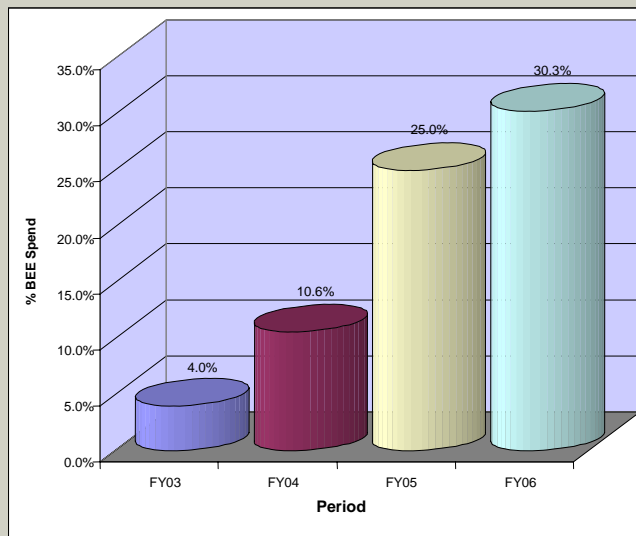
Who are we?

- Robust pedigree.
- Listed on Johannesburg Stock Exchange.
- Corporate Centre in Johannesburg; Led by SA Chairman.
- About 17 000 employees.
- Empowerment Initiatives advanced;
 - Mineral and Petroleum Resources Development Act;
 - Employment Equity
 - Procurement
- HSEC;
 - Health (HIV/Aids)
 - Safety
 - BHP Billiton Development Trust

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BEE Procurement spend



FY06 BEE
procurement spend =
R3.008 billion

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Case Study: Mozambique 1998



SOCIO-ECONOMIC

- One of the world's poorest countries
- 17 years of Civil War

INSTITUTIONAL

- Strong governance structures and commitment to development
- Poorly developed infrastructure
- Fragile financial structures

WORKFORCE

- Public services with limited capacity
- Scarce relevant technical skills

HEALTH

- Widespread malaria (Dec 1999 – 85% infection rate)
- HIV/AIDS prevalent

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The Mozal Story: Integrated development



QUALITY OF LIFE

- Mozal Community Development Trust: \$2.5million pa
- Over 200 projects: US\$10 million
- Health, small enterprise, education, sports, culture
- Partnering approach with NGOs



JOB CREATION

- Permanent job creation on site: 1150
- Contractors: 1600
- Indirect job creation: approx 10,000



ECONOMIC ENERGY

- Regional Economy: \$105 million pa
- Export Earnings: Doubled to US\$811 million pa
- Local infrastructure upgrade: US\$ 31 million

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Malaria

- BHP Billiton provides financial support and management assistance
- Spraying program was launched in 1999.
- The program relies on spraying in conjunction with the LSDI. Up to 100 000 km² are now sprayed in the program, which started on just 100km².
- Malaria prevalence is down by an average of over 90% in the four regions covered in Mozambique and in KwaZulu-Natal, where over 40 000 cases were recorded in the 1999/2000 season, less than 2 000 were recorded last summer. Today, malaria is no longer a primary cause for absenteeism in schools.

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Malaria

- The impact the programme has had is largely because it is so unique. It is a classic partnership between the private sector and the public sector, but it is also a partnership between three countries to ensure regional success.
- Finally, there is the involvement of global organizations like the UN Global Fund.
- It has taken some broad-mindedness to ensure the success of this project. One of the keys to success has been the use of DDT in the correct quantities to ensure effectiveness against malaria without harming humans or wildlife. It is sprayed in tiny amounts on the walls of homes, protecting entire families inside the building.

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