Media Release

International Iron and Steel Institute (IISI)

<u>FOR IMMEDIATE RELEASE 19 NOVEMBER 2007</u>

Steel Industry calls for review

***Brussels, 19 November 2007* – The International Iron and Steel Institute (IISI) has today issued a formal request that all relevant competition authorities review the proposed alliance between BHP and Rio Tinto.**

Speaking on behalf of steel producers worldwide IISI Secretary General Ian Christmas said: "IISI supports free and fair trade in steel. Competition between steel companies promotes innovation and efficiency. It promotes the growth in steel use and serves steel's customers and society as a whole. IISI has also supported the consolidation of steel businesses but not to the extent of creating a monopoly. Even the largest steel company in the world today accounts for less than 15% of total world steel production."

"In sharp contrast the business of seaborne iron ore is dominated by just three companies. CVRD, Rio Tinto and BHP Billiton account for over 70% of total world trade."

Concluding, Ian Christmas said: "Any further consolidation between the big three would create a virtual monopoly in the business. For this reason, not only will the steel industry strongly oppose the potential merger of BHP Billiton and Rio Tinto, but it is vital that the competition authorities in the EU, USA, China, Australia and Japan also recognise the threat that this merger poses to the interests of steel consumers and the general public. This merger is not in the public interest and should not be allowed to proceed."

Ends

Notes to Editors:

- The International Iron and Steel Institute (IISI) is one of the largest and most dynamic industry associations in the world. IISI represents approximately 180 steel producers (including 19 of the world's 20 largest steel companies), national and regional steel industry associations, and steel research institutes. IISI members produce around 75% of the world's steel (excluding China) and the growing membership in China now accounts for over 20% of Chinese production.

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IISI fact sheet for BHP – Rio Tinto press release
19 November 2007

Shares of Seaborne Iron Ore Market, %

	2004	2005	2006	2007
CVRD	34.0	38.5	39.6	
Rio Tinto	19.8	22.0	24.4	
BHP Billiton	16.0	16.2	14.2	
Total	69.8%	76.7%	78.2%	
Ore price increase	17%	71.5%	19%	9.50%
Ore price index 2003 = 100	117	200.7	238.8	261.5

Brazil and Australia each account for one third of global iron ore exports.

CVRD owns virtually the whole of the Brazilian iron ore export industry.

BHP Billiton together with Rio Tinto would similarly control Australian iron ore exports.

Almost all Australian exports go to Japan, China and other Asian countries. Australia is the main source of ore for these countries.

BHP Billiton has for years been trying to equalise landed prices for its ore exports to Asia with the landed cost of Brazilian ore, which includes a far higher freight component. If it controlled all Australian exports it would be in a monopoly position to force this through, racking up iron ore costs to the detriment of steel consumers worldwide.

Allowing BHP Billiton and Rio Tinto to merge would create a virtual monopoly on Australian ore exports to match that of CVRD in Brazil. Almost 80 per cent of world seaborne iron ore exports would then be controlled by these two suppliers.