Stability, Growth, Value – A CEO’s perspective
In 1990 the top five companies accounted for less than 25% of total resource equity market value.

<table>
<thead>
<tr>
<th>Company</th>
<th>Market Cap. at end of 1990 (US$B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BHP</td>
<td>12</td>
</tr>
<tr>
<td>Rio Tinto</td>
<td>8</td>
</tr>
<tr>
<td>Anglo Am.</td>
<td>6</td>
</tr>
<tr>
<td>De Beers</td>
<td>5</td>
</tr>
<tr>
<td>Gencor</td>
<td>4</td>
</tr>
<tr>
<td>Alcoa</td>
<td>3</td>
</tr>
<tr>
<td>Newmont</td>
<td>2</td>
</tr>
<tr>
<td>Alcan</td>
<td>2</td>
</tr>
<tr>
<td>Amplats</td>
<td></td>
</tr>
<tr>
<td>Placer Dome</td>
<td></td>
</tr>
<tr>
<td>Reynolds</td>
<td></td>
</tr>
<tr>
<td>Driffontein</td>
<td></td>
</tr>
<tr>
<td>WMC</td>
<td></td>
</tr>
<tr>
<td>Barrick</td>
<td></td>
</tr>
<tr>
<td>GFSA</td>
<td></td>
</tr>
<tr>
<td>Noranda</td>
<td></td>
</tr>
<tr>
<td>Minorco</td>
<td></td>
</tr>
<tr>
<td>Inco</td>
<td></td>
</tr>
<tr>
<td>Pechiney</td>
<td></td>
</tr>
<tr>
<td>MIM</td>
<td></td>
</tr>
</tbody>
</table>

Market value of minerals industry: US$150bn
Value of Top Five: US$36bn
Largest company in a consolidating sector

Market value of minerals industry  US$328 bn
Value of Top Five  US$146 bn
Value of BHP Billiton  US$ 45 bn

Source: Datastream

Market Cap. on 03/10/03 (US$Bn)

BHPB
Rio Tinto
Anglo American
Alcoa
Newmont
CVRD
Alcan
Norilsk
Barrick
Anglogold
Amplats
Gold Fields
Impala
Placer Dome
Inco
Xstrata
Freeport
Pechiney
Phelps Dodge
Alumina
A global footprint

- Petroleum
- Aluminium
- Base Metals
- Carbon Steel Materials
- Diamonds & Spec Prod
- Energy Coal
- Stainless Steel Materials
Investment Proposition

- Stability
- Growth
- Value
Stability – from Tier 1 assets

North West Shelf
Stability – from Tier 1 assets

Bass Strait
Stability – from Tier 1 assets

Pilbara Iron Ore
Stability – from Tier 1 assets

Queensland Coal
Stability – from Tier 1 assets

Ingwe Coal
Stability – from Tier 1 assets
Stability – from Tier 1 assets

Escondida
Stability – from Tier 1 assets
EBIT from the above assets represented 67% of EBIT in FY 2003
Stability – from the portfolio

**By Commodity**
Customer Sector Group EBIT:

- **Carbon Steel Materials** 27%
- **Petroleum** 31%
- **Energy Coal** 5%
- **Aluminium** 15%
- **Stainless Steel Materials** 4%
- **Base Metals** 8%
- **Diamonds & Specialty Products** 10%

Data for year ended 30 June 2003
Stability – from the portfolio

By Geography
Net Operating Assets:

- South America: 30%
- Australia: 33%
- Southern Africa: 21%
- North America: 9%
- Rest of World: 7%
- Rest of World: 7%

Data for year ended 30 June 2003
Stability – from the portfolio

_By Market_

Sales:

- **Europe**: 32%
- **Other Asia**: 20%
- **North America**: 14%
- **Japan**: 14%
- **Rest of World**: 10%
- **Australia**: 10%
- **Other Asia**: 20%

Data for year ended 30 June 2003
Stability – from the portfolio

- September 11 World Trade Centre Attack
- Enron Bankruptcy
- SA Rand A$ strengthen
- BEE Charter leak
- Iraq war
- SARS

Average - US$1.228 billion

Bar chart showing US$ billion for Q1 to Q4 of FY2002 and FY2003.
Growth – from project pipeline

BROWNFIELD

Brownfield

Mount Arthur North

Hillside 3

Area C

PACE

Cerrojon Exp’n

WAIO Acc Exp’n

Broadmeadow

GoM Infrastr.

Dendrobium

Esc’da Norte

Yabulu R’thorpe

Esc’da Sulphide

CY2003 2004 2005 2006 2007

Greenfield

Ohanet

Rod

Minerva

Mad Dog

Angostura

Spence

Atlantis

Energy Coal

Base Metals

Nickel

Carbon Steel

Petroleum

Size of bubble indicates proposed capital expenditure; bold outer border signifies sanctioned project

As at 28 August 2003

$US 200m
Growth – improving margins

(1) Excluding exploration and technology
* Third party sales are excluded
Growth – improving margins

<table>
<thead>
<tr>
<th>(US$M)</th>
<th>FY 02</th>
<th>H1 03</th>
<th>H2 03</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost related merger benefits</td>
<td>160</td>
<td>40</td>
<td></td>
<td>200</td>
</tr>
<tr>
<td>Non cost related merger benefits</td>
<td>60</td>
<td>25</td>
<td></td>
<td>85</td>
</tr>
<tr>
<td>Total merger benefits</td>
<td>220</td>
<td>65</td>
<td></td>
<td>285</td>
</tr>
<tr>
<td>Cost savings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Excellence</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic sourcing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portfolio mix</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total cost savings</td>
<td>70</td>
<td>240</td>
<td></td>
<td>310</td>
</tr>
<tr>
<td>Total cost savings &amp; merger benefits (before one-off costs)</td>
<td>220</td>
<td>135</td>
<td>240</td>
<td>595</td>
</tr>
</tbody>
</table>
Growth – improving margins

- Selling more product
- Reducing risk
- Meeting needs of customers
- At higher margins
Creating value

Projects

Cost Savings

Marketing
Creating value

BHP Billiton Mkt Cap: (Mar 01) US$ 28.1bn
           (Oct 03) US$ 44.7bn
Priorities for cash flow

Value accretive projects

• Pipeline has average IRRs of 15-25%
• All internally funded
• Greenfield and brownfield opportunities
Priorities for cash flow

Capital structure

- Target strong single A credit rating
- Target gearing 35% - 40%
- EBITDA interest cover >8x
Priorities for cash flow

Returning capital to shareholders

- Progressive dividend policy
- Dividends increased 11.5% last year
- Share buyback programmes in Ltd and Plc
Priorities for cash flow

Value accretive projects

Capital structure

Return to shareholders
Strategic focus

- M&A
- Bolt-on Acq.
- Growth Pipeline
- Cost Savings
- Low Cost, High Quality Assets

bhpbilliton
Questions