Stability, Growth, Value – A CEO's perspective

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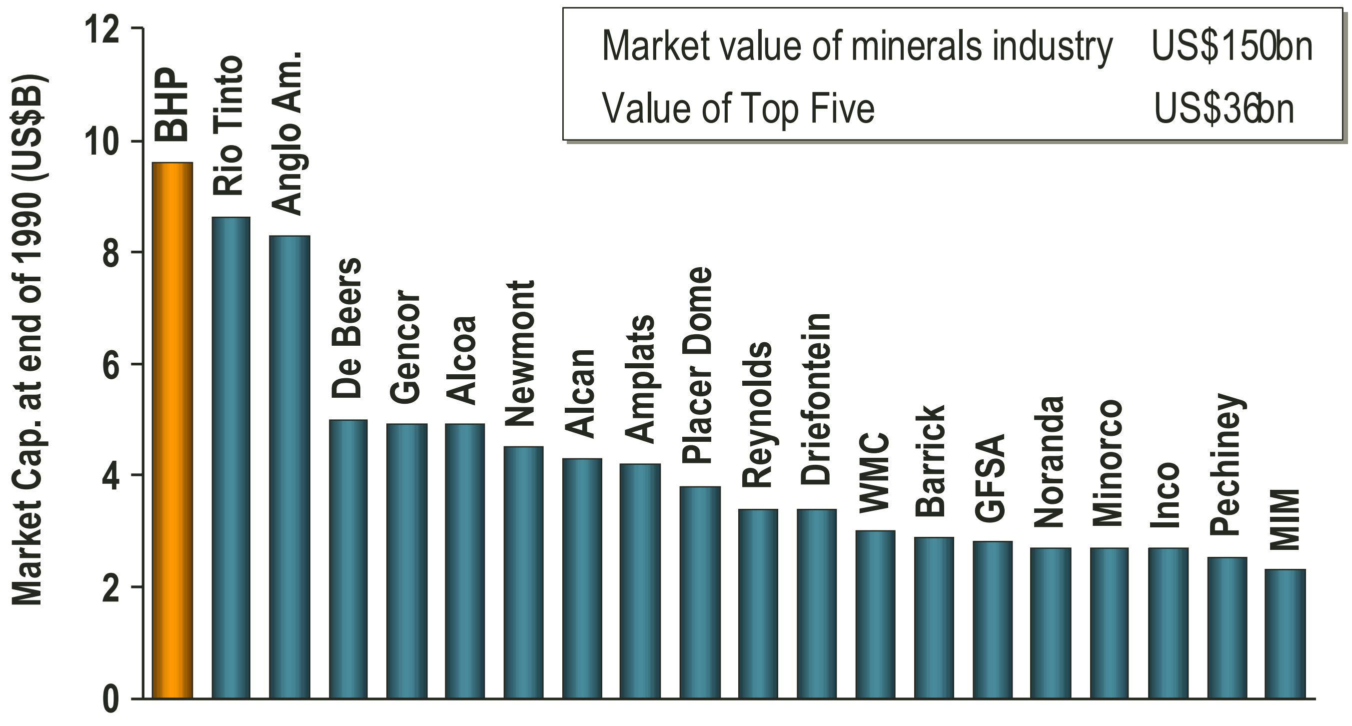
1990 - Industry Structure

In 1990 the top five companies accounted for less than 25% of total resource equity market value



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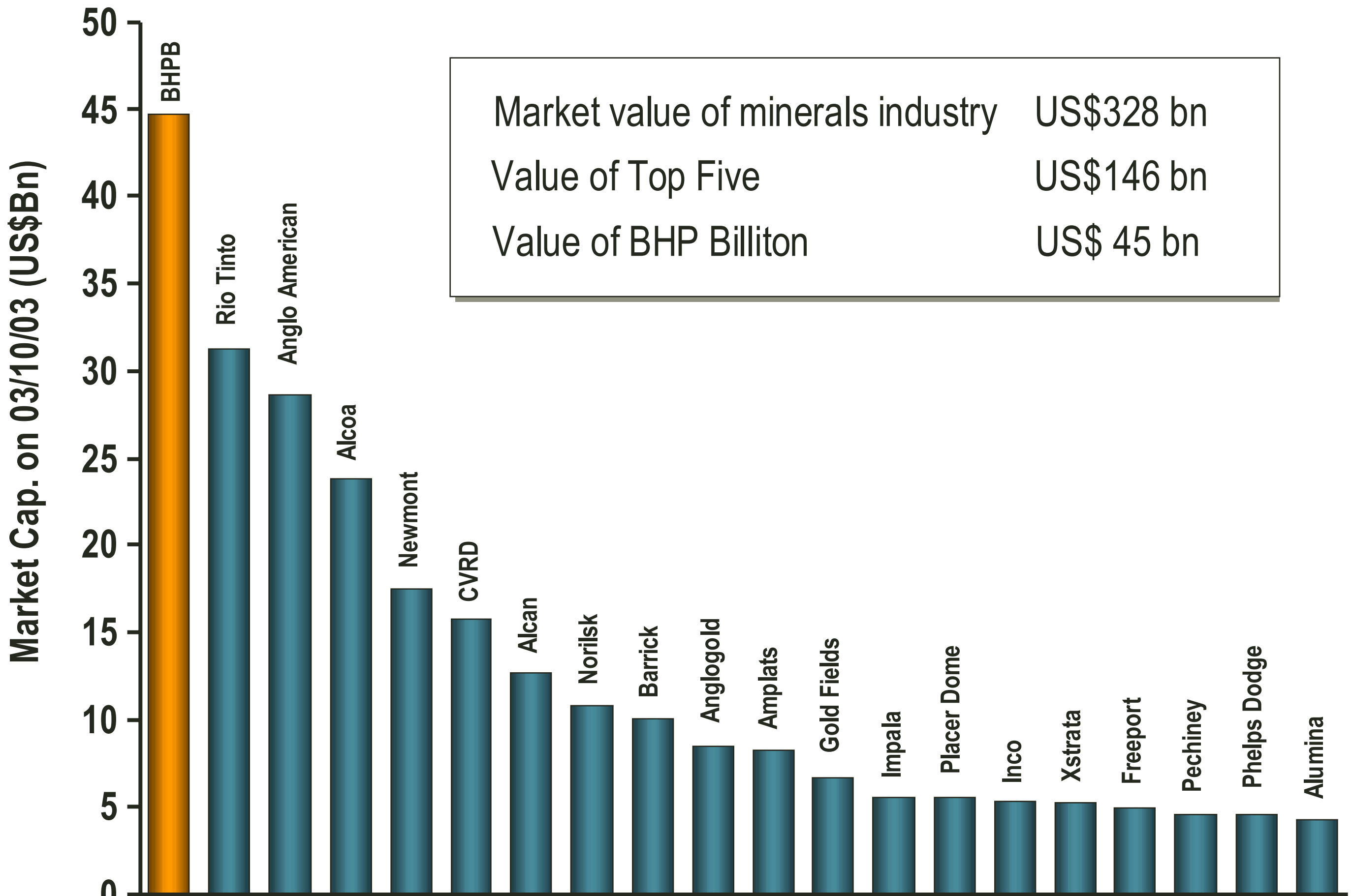
Largest company in a consolidating sector



Source: Datastream

A global footprint

Petroleum

Aluminium

Base Metals

Carbon Steel Materials

Diamonds & Spec Prod

Energy Coal

Stainless Steel Materials

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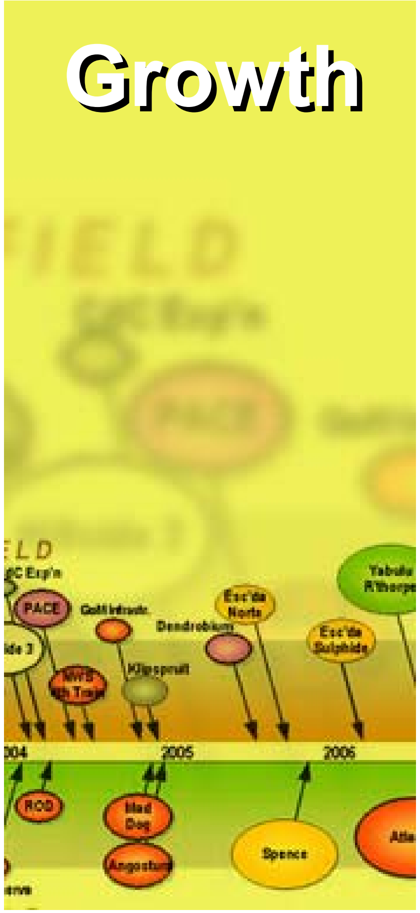
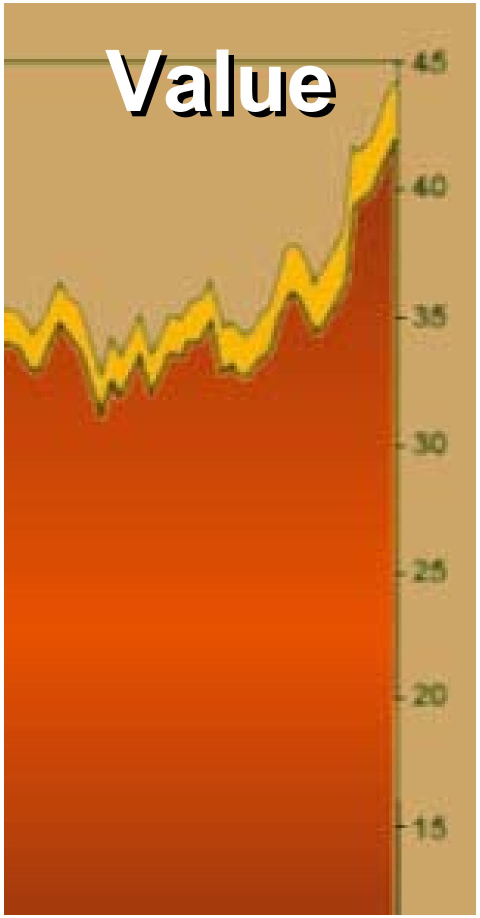
Investment Proposition

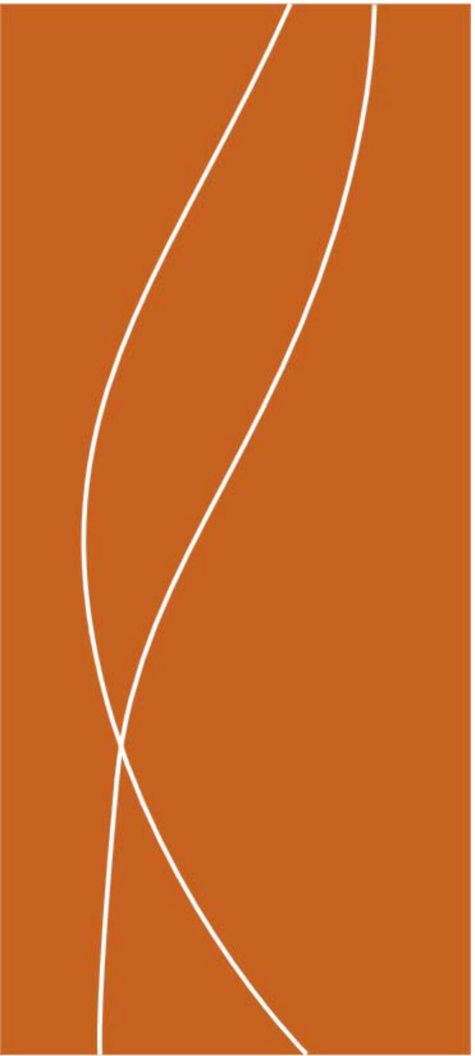
Stability

Growth



Value





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Stability – from Tier 1 assets

North West Shelf

Stability – from Tier 1 assets

Bass Strait

Stability – from Tier 1 assets

Pilbara Iron Ore

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Stability – from Tier 1 assets

Queensland Coal

Stability – from Tier 1 assets

Ingwe Coal

Stability – from Tier 1 assets

Cannington

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Stability – from Tier 1 assets

Escondida

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Stability – from Tier 1 assets

Worsley

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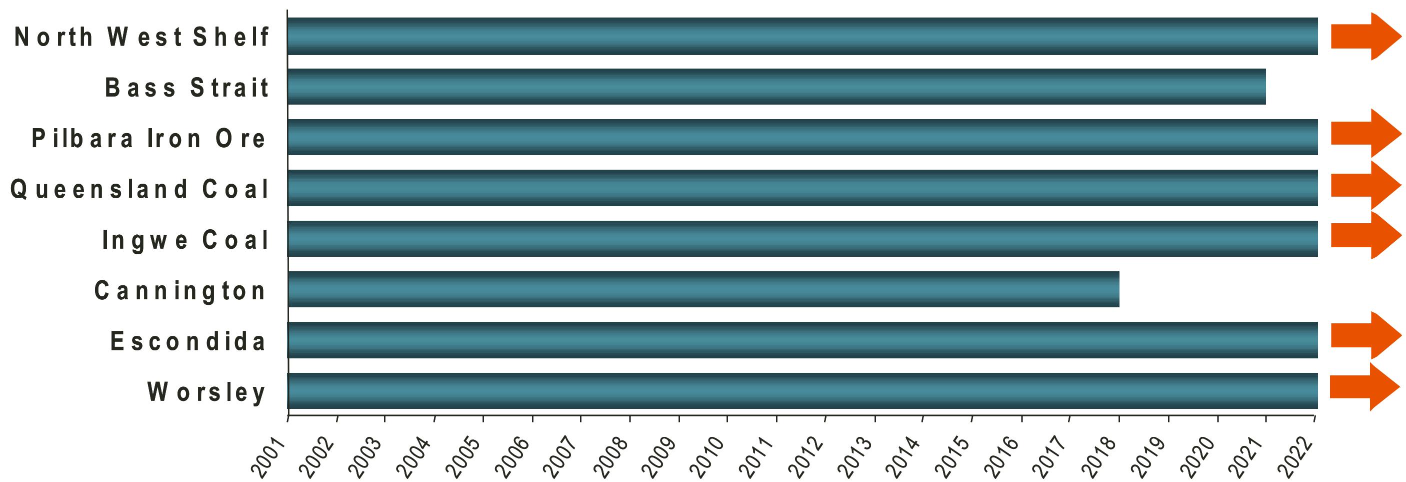
Stability – from Tier 1 assets






EBIT from the above assets represented 67% of EBIT in FY 2003

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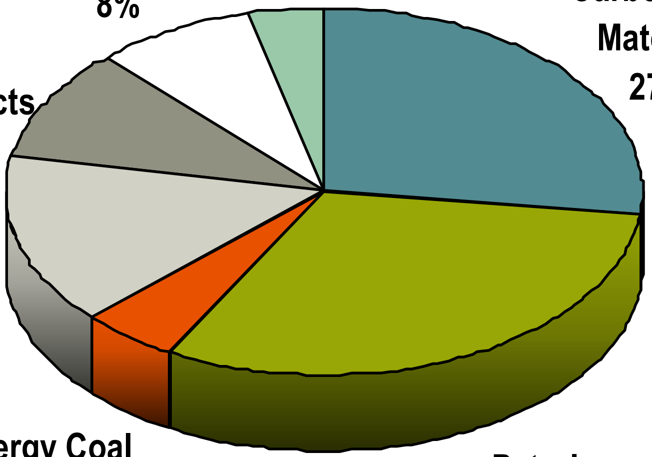
Stability – from the portfolio

By Commodity

Customer Sector Group EBIT:



Data for year ended 30 June 2003

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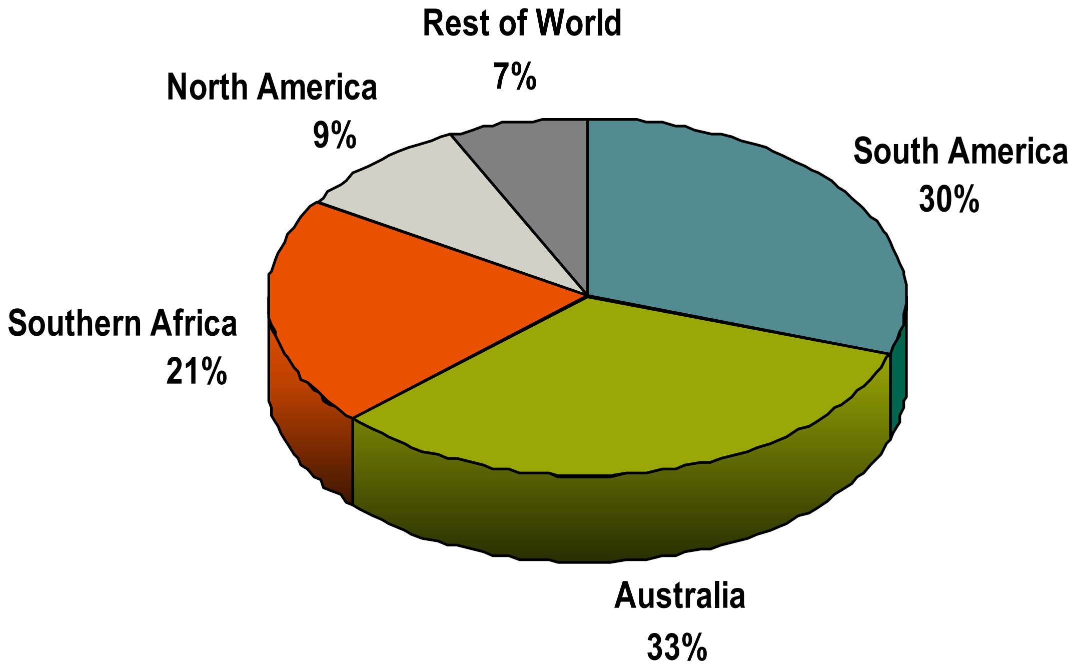
Stability – from the portfolio

By Geography

Net Operating Assets:



Data for year ended 30 June 2003

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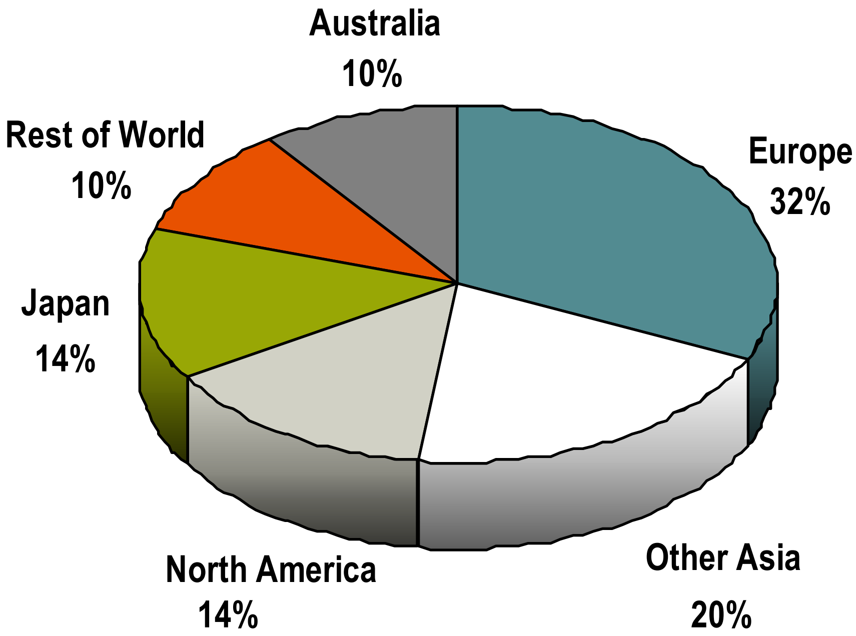
Stability – from the portfolio

By Market

Sales:



Data for year ended 30 June 2003

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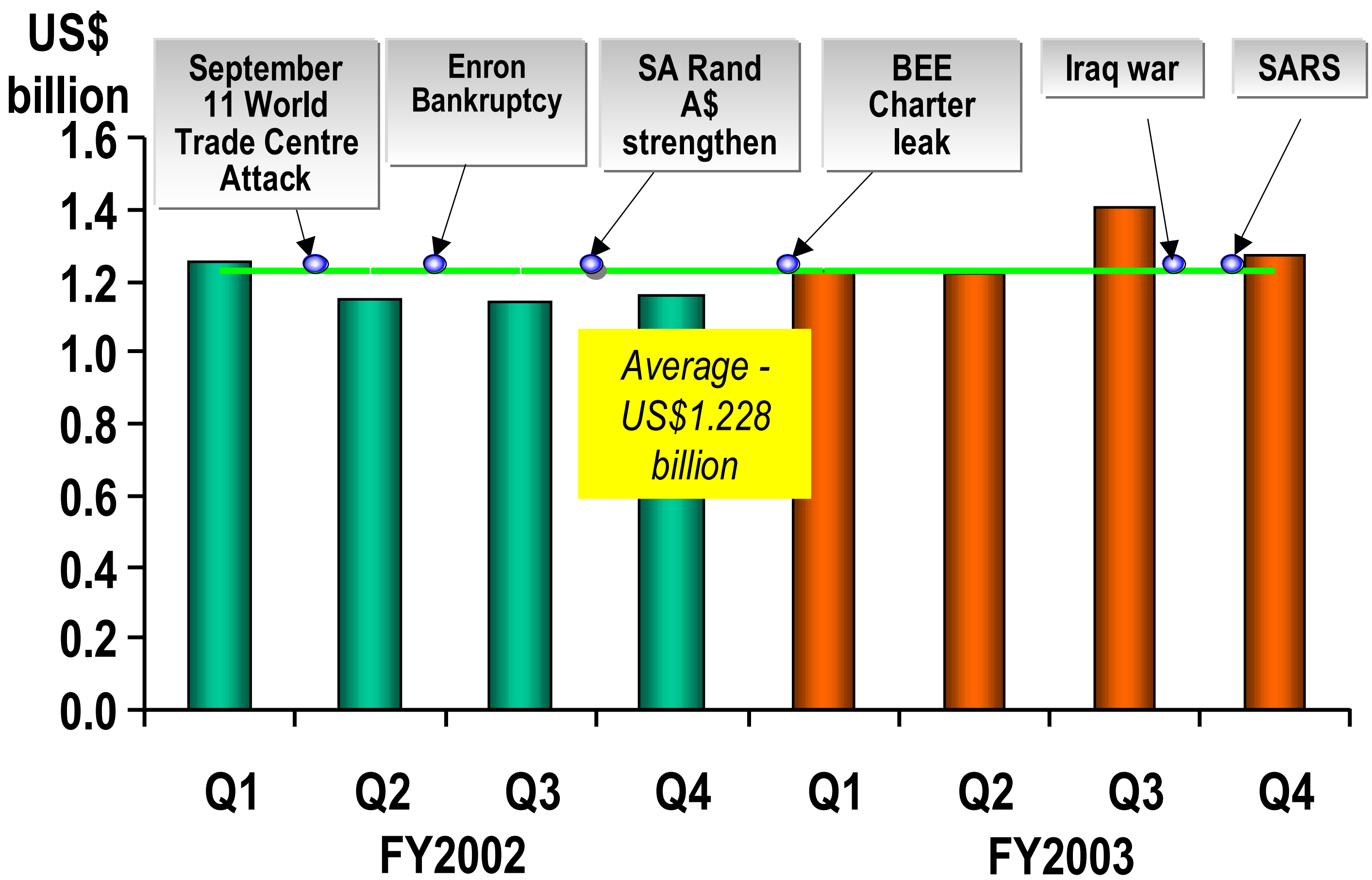
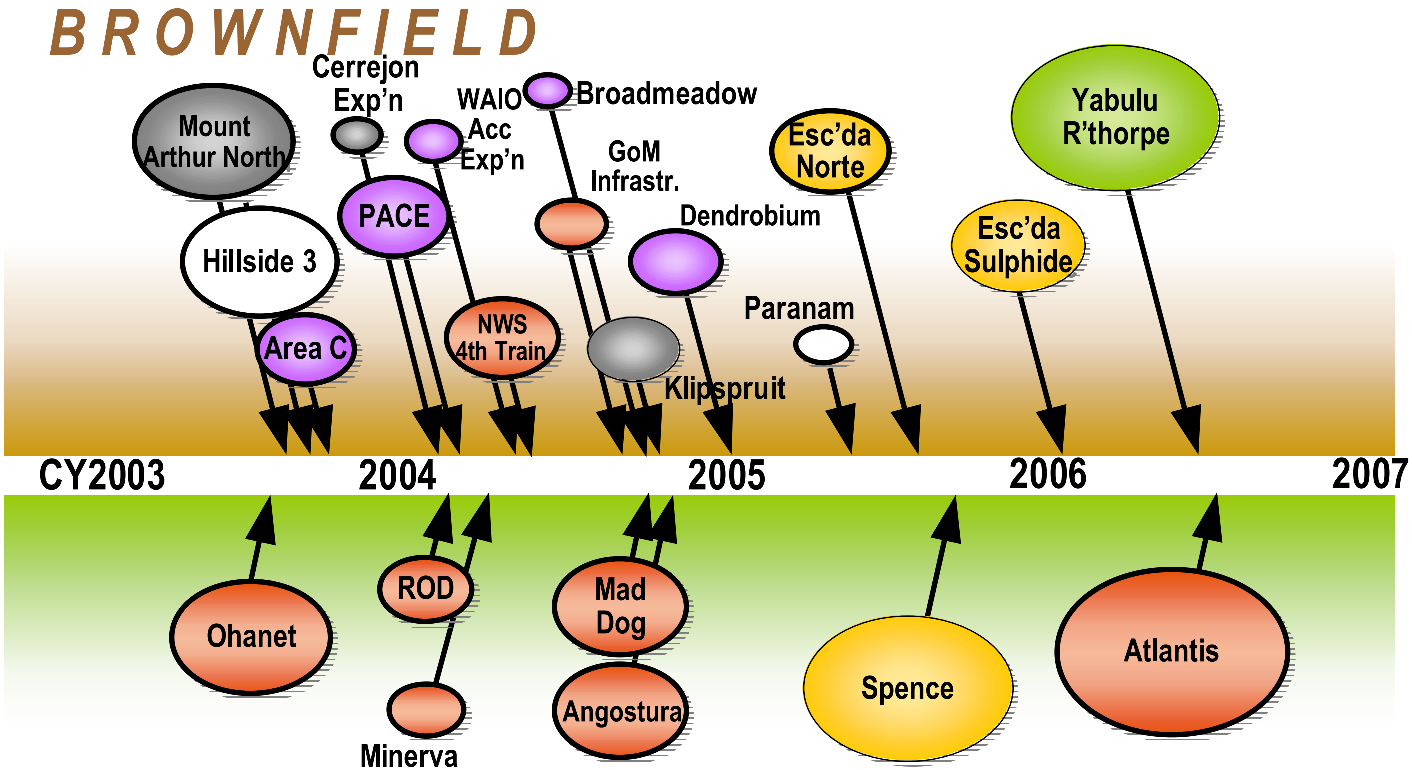
Stability – from the portfolio



Growth – from project pipeline



As at 28 August 2003

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

$us 200m

Aluminium
Base Metals
Carbon Steel
Energy Coal
Nickel
Petroleum

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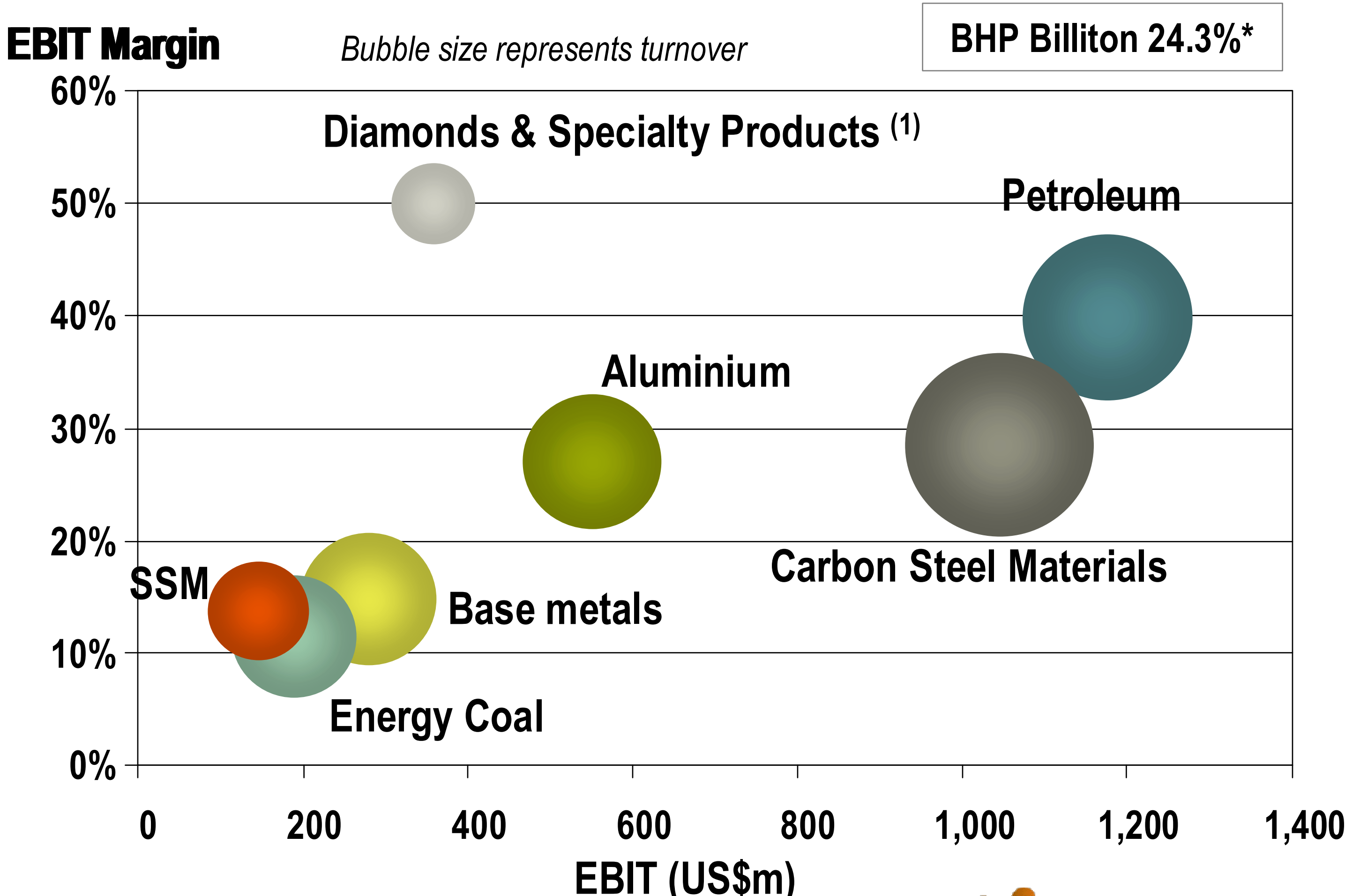
Growth – improving margins



(1) Excluding exploration and technology
* Third party sales are excluded

Growth – improving margins

(US$M)	FY 02	H1 03	H2 03	Total
Cost related merger benefits	160	40		200
Non cost related merger benefits	60	25		85
Total merger benefits	220	65		285
Cost savings				
Operating Excellence		32	168	200
Strategic sourcing		-	40	40
Portfolio mix		38	32	70
Total cost savings		70	240	310
Total cost savings & merger benefits (before one-off costs)	**220**	**135**	**240**	**595**

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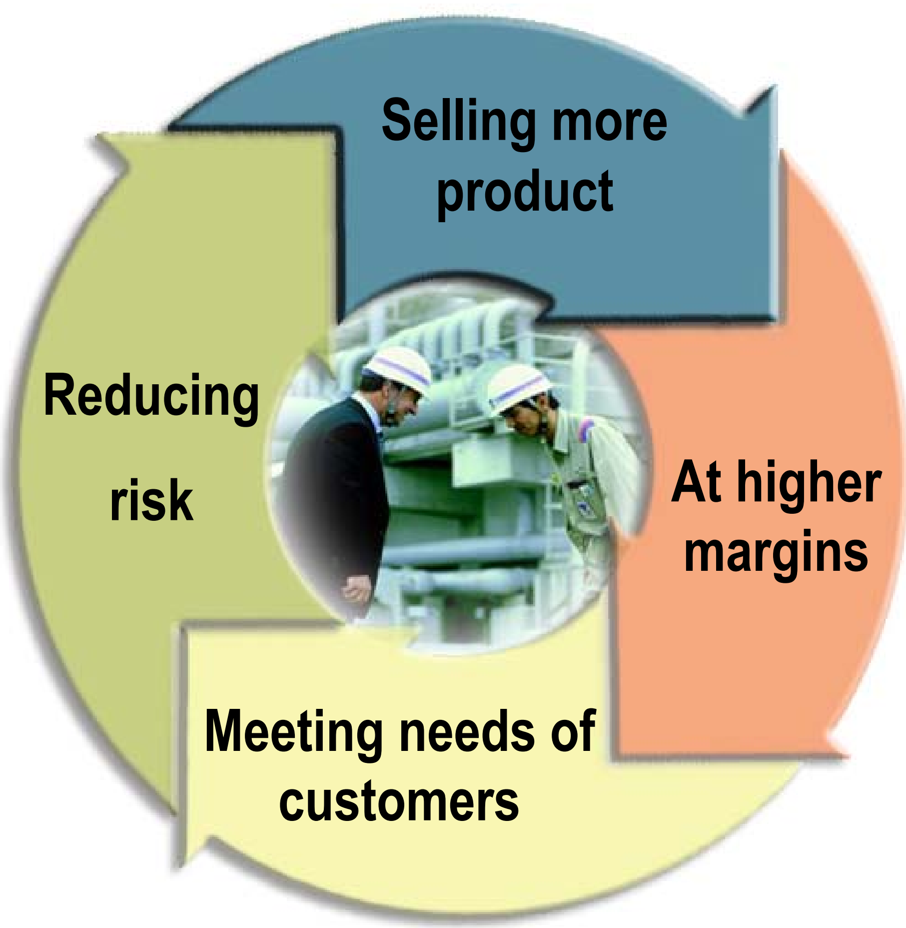
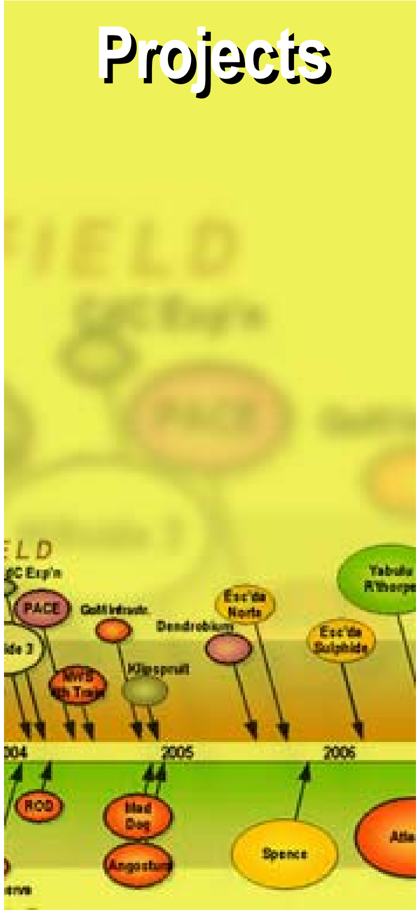
Growth – improving margins



Creating value

Projects



Cost Savings

Marketing

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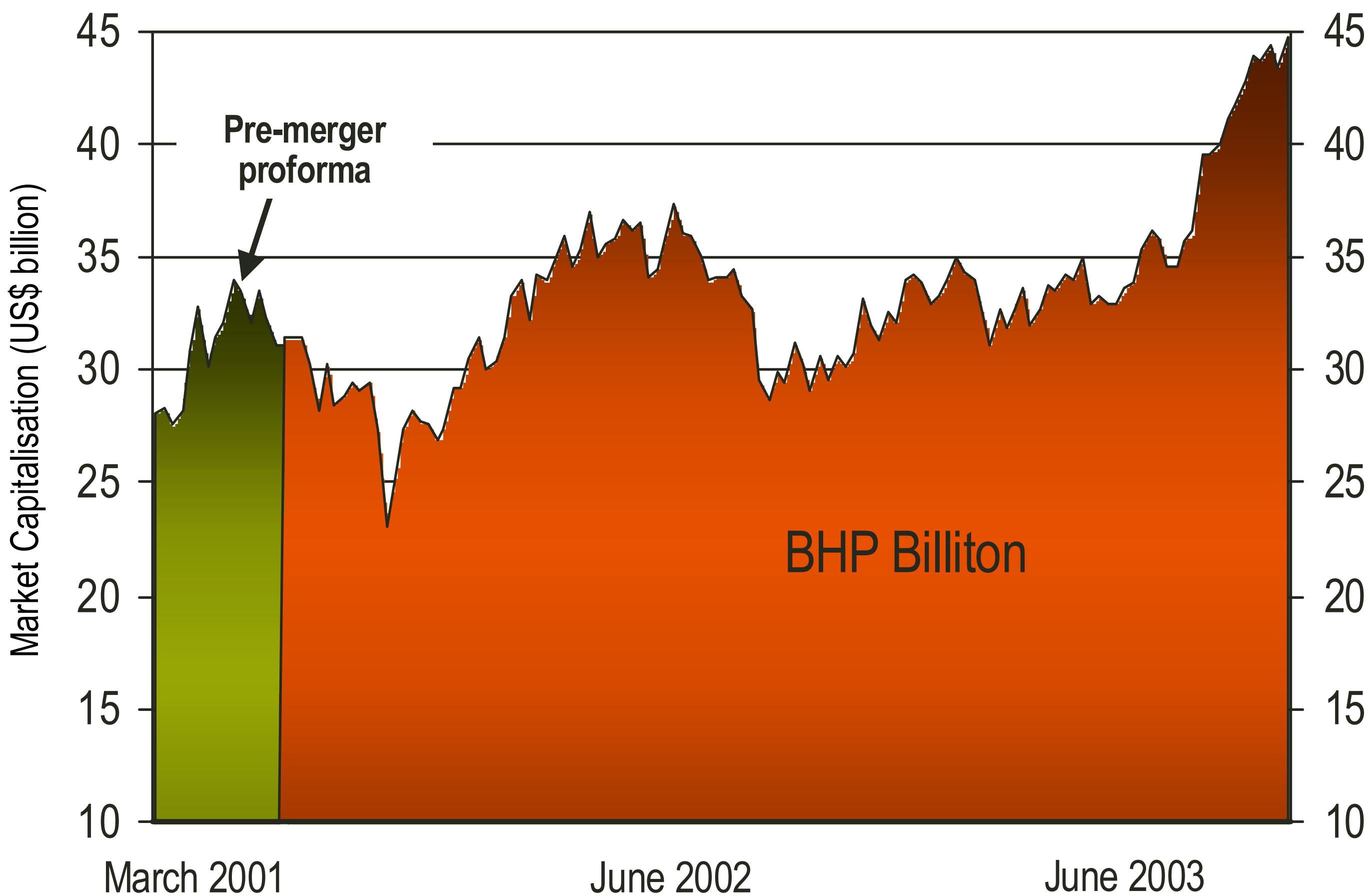
Creating value



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

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Priorities for cash flow

Value accretive projects

- Pipeline has average IRRs of 15-25%
- All internally funded
- Greenfield and brownfield opportunities

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Priorities for cash flow

Capital structure

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

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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

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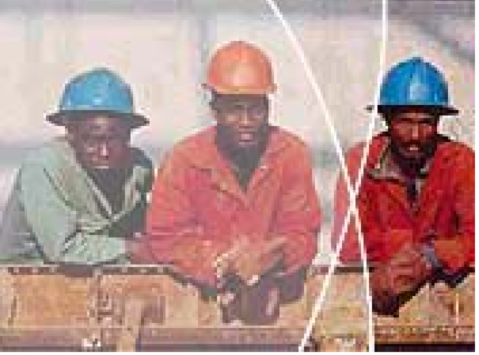
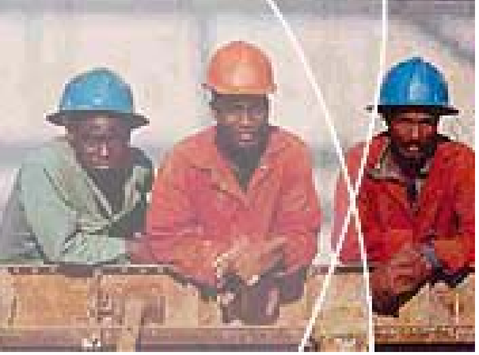


Strategic focus



Questions

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