PRELIMINARY RESULTS

28 August 2003

Chip Goodyear Chief Executive Officer

Chris Lynch Chief Financial Officer

bhpbilliton

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Highlights – year ended 30 June 2003

- **HSEC** performance indicators continue to improve.
- **EBITDA up 9%** to US$5,129 million and **EBIT up 12%** to US$3,481 million.
- **Attributable profit of US$1,920 million** and earnings per share of 30.9 US cents.
- Available **cashflow** remained **strong** at US$3,590 million.
- **Dividends** of 14.5 US cents per share, an **increase of 11.5%.**
- **Annual production** for all major minerals commodities higher or in line with last year; records for WA iron ore, nickel and Ekati™.
- **US$595 million total cost savings** delivered since the merger.
- 5 **projects commissioned**, all on or below budget and on or ahead of schedule. 3 **major projects approved**.

Note – the financial results of BHP Billiton are prepared in accordance with UK generally accepted accounting principles (GAAP).

PRELIMINARY RESULTS

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Results highlights –year ended 30 June

(US$M)	2003	2002	% Change
Turnover[(1)]	17,506	15,228	+15.0
EBITDA[(1)(2)(3)]	5,129	4,697	+9.2
EBIT[(1)(2)]	3,481	3,102	+12.2
Attrib profit [(1)(2)]	1,920	1,866	+2.9
Exceptional items	(19)	(244)	
Attrib profit (incl exceptionals)	1,901	1,622	+17.2
Available cash flow [(1)]	3,590	3,600	-0.3
EPS (US cents)[(1)(2)]	30.9	31.0	-0.3
EBITDA interest cover (times)[(1)(2)]	12.7	10.9	+16.5
Dividends per share (US cents)	14.5	13.0	+11.5

(1) From continuing operations and including share of joint ventures and associates.
(2) Excluding exceptional items.
(3) Refer slide 39 for further information.

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EBIT by Customer Sector Group
Year ended 30 June

(US$M)	2003	2002	% Change
Petroleum	1,178	1,073	+10
Aluminium	581	492	+18
Base Metals	286	192	+49
Carbon Steel Materials	1,045	1,084	-4
Diamonds & Spec Products	370	342	+8
Energy Coal	190	536	-65
Stainless Steel Materials	150	3	
Exploration & Technology	(71)	(70)	-1
Group & unallocated items	(248)	(550)	+55
BHP Billiton (continuing)	**3,481**	**3,102**	**+12**
Steel (demerged July 2002)	-	86	
BHP Billiton (total)	**3,481**	**3,188**	

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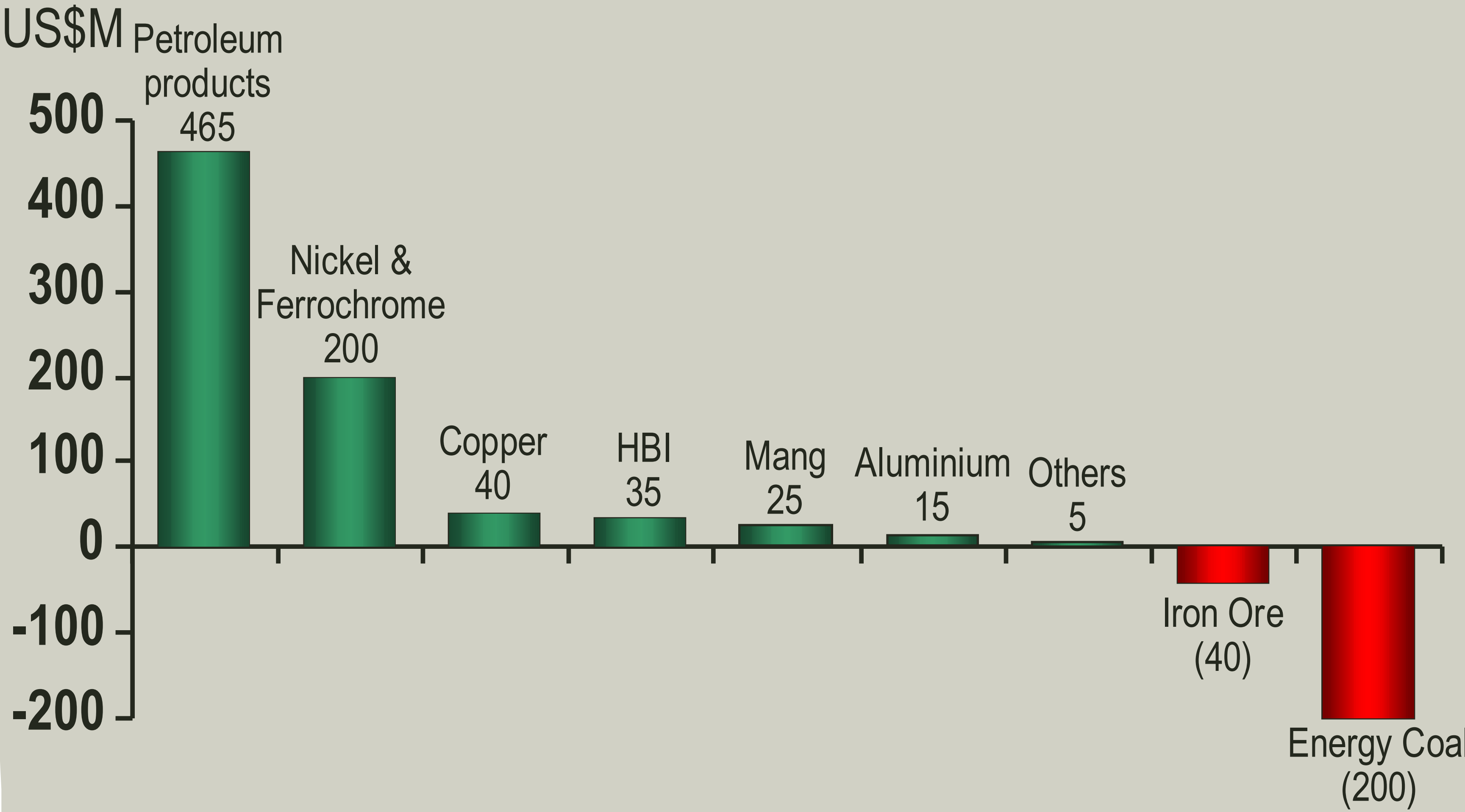
Impact of major commodity price changes on EBIT
Year ended 30 June 03 v year ended 30 June 02



Excludes impact of price linked costs, US$160 million unfavourable

Net interest, taxation & attributable profit
Continuing operations, excluding exceptionals

Year ended 30 June (US$M)	2003	2002
EBIT	3,481	3,102
Net interest expense	(403)	(432)
Exchange impact on debt	(140)	180
Discounting of provisions/Capitalised interest	6	16
Profit before tax	**2,944**	**2,866**
Tax expense	(774)	(963)
Exchange impact on tax expense	(210)	2
Minorities	(40)	(39)
Attributable profit	**1,920**	**1,866**

Impact of restatements of net monetary liabilities - Year ended June

(US$M)	June 03	Impact of Restatement	June 02	Impact of Restatement
EBIT	**3,481**	(80)	**3,102**	(15)
Net interest	**(537)**	(140)	**(236)**	180
Taxation expense	**(984)**	(160)	**(961)**	15
Attributable profit	**1,920**	(380)	**1,866**	180

US$2,300M **US$1,686M**

US$614M

Exchange rates Versus US dollar	As at 30 June 2003		As at 30 June 2002	
South African rand	↑ **27%**	7.50	↓ **27%**	10.25
Australian dollar	↑ **18%**	0.667	↑ **11%**	0.565

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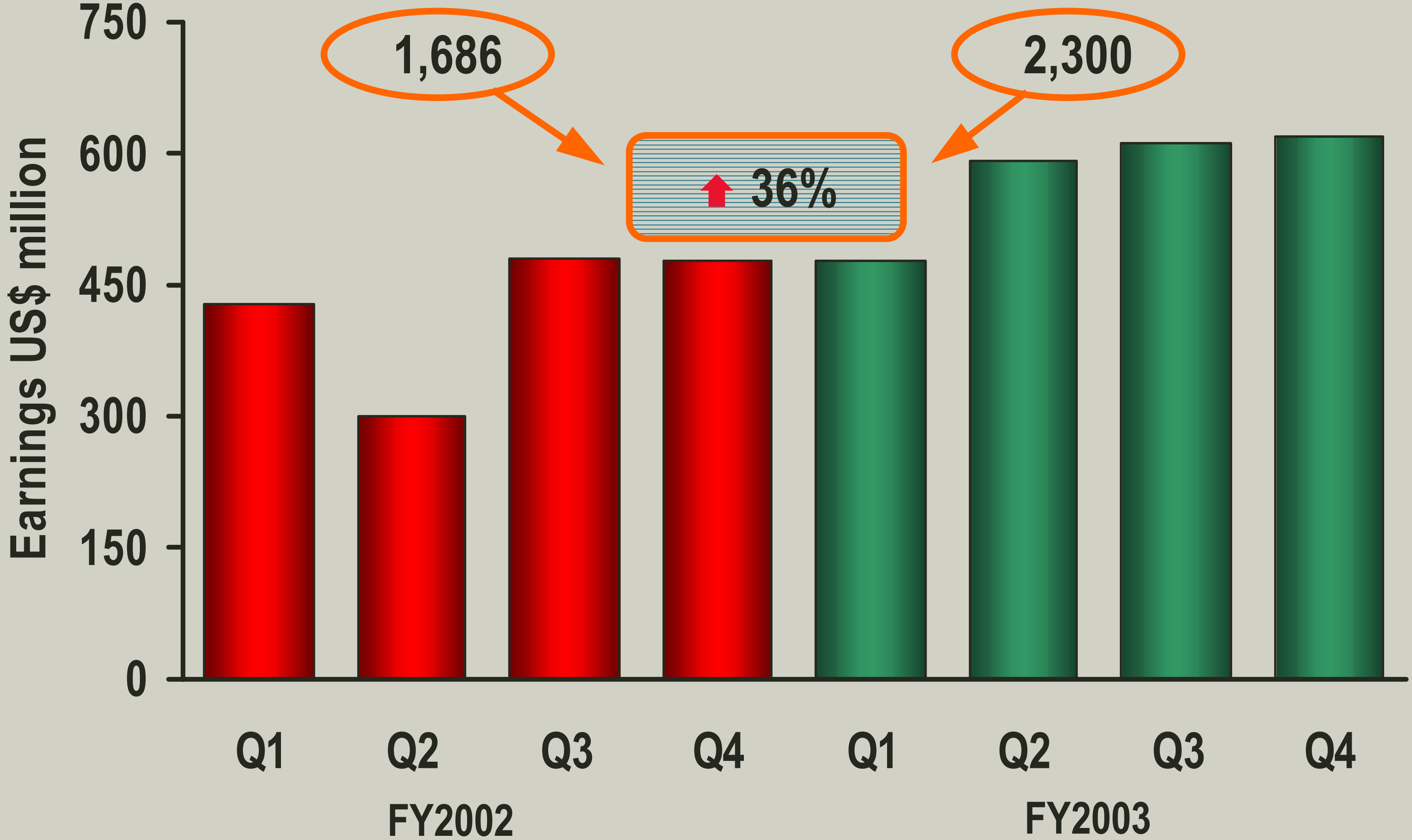
Quarterly earnings
Excluding restatement of net monetary liabilities



(1) Quarterly earnings is based on net profit after tax, from continuing operations, excluding exceptional items, and restatement of net monetary liabilities. Refer slide 39 for further information.

Cash flow – from continuing operations

Year ended 30 June (US$M)	2003	2002
Operating cash flow and JV dividends	4,990	4,471
Net interest paid	(398)	(353)
Tax paid	(1,002)	(518)
Available cash flow	**3,590**	**3,600**
Capital expenditure	(2,666)	(2,564)
Exploration expenditure	(348)	(390)
Sale of fixed assets & investments	659	407
Acquisitions & disposals of subsidiaries and JVs	405	(38)
Net cash flow before dividends and funding	**1,640**	**1,015**
Dividends paid	(830)	(811)
Net cash flow before funding	**810**	**204**

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Cost savings on track – margin and bottom line growth

$285M achieved to 31 Dec 2002 – 6 months ahead of schedule

Merger synergies target of $270M

$310M achieved to 30 June 2003

Further target $500M (2% real p.a. FY03 – FY05)

Total of $595M achieved since the merger against target of US$770M

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Cost savings – progress to 30 June 2003

(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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PRELIMINARY RESULTS

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Value Drivers – Review of Progress

I. Outstanding Assets

II. Growth From Deep Inventory of Projects

III. Customer-Centric Marketing

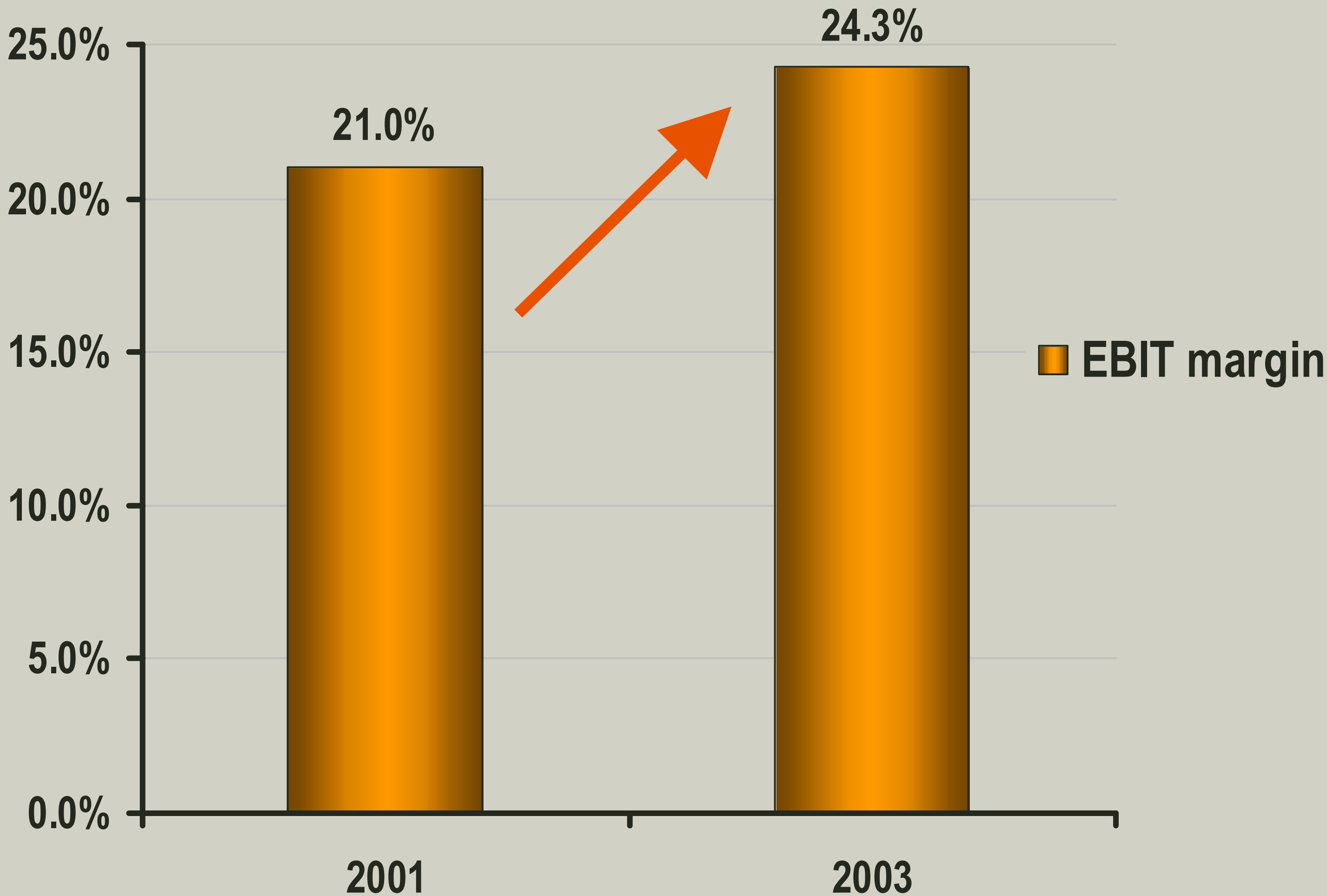
IV. The Portfolio Effect

V. The Petroleum CSG

VI. Innovation

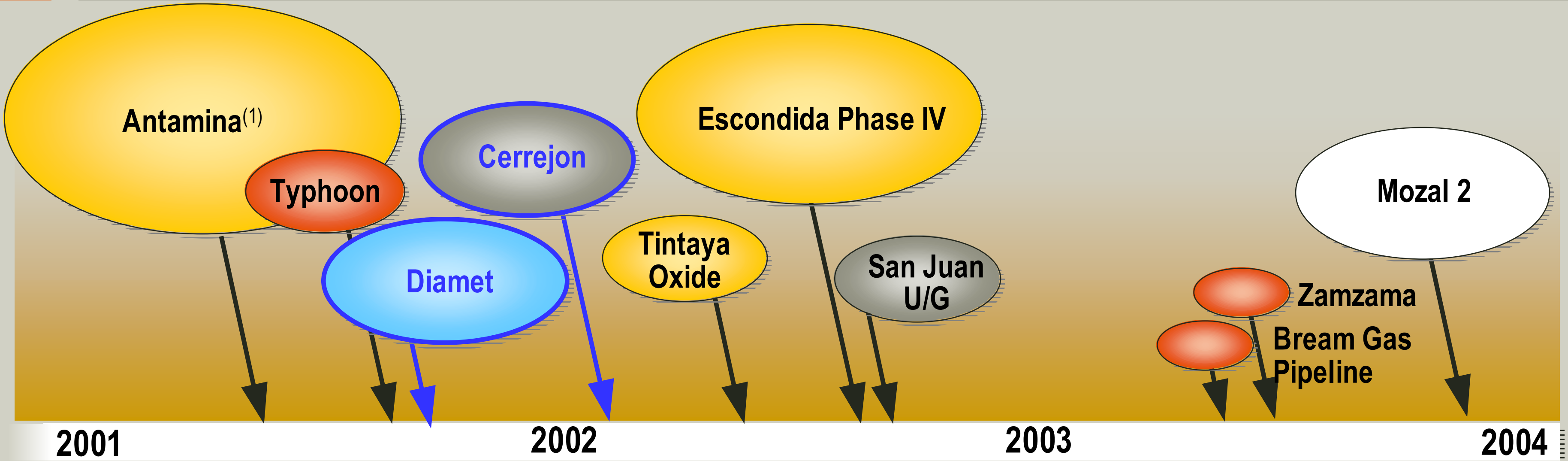
VII. Employees

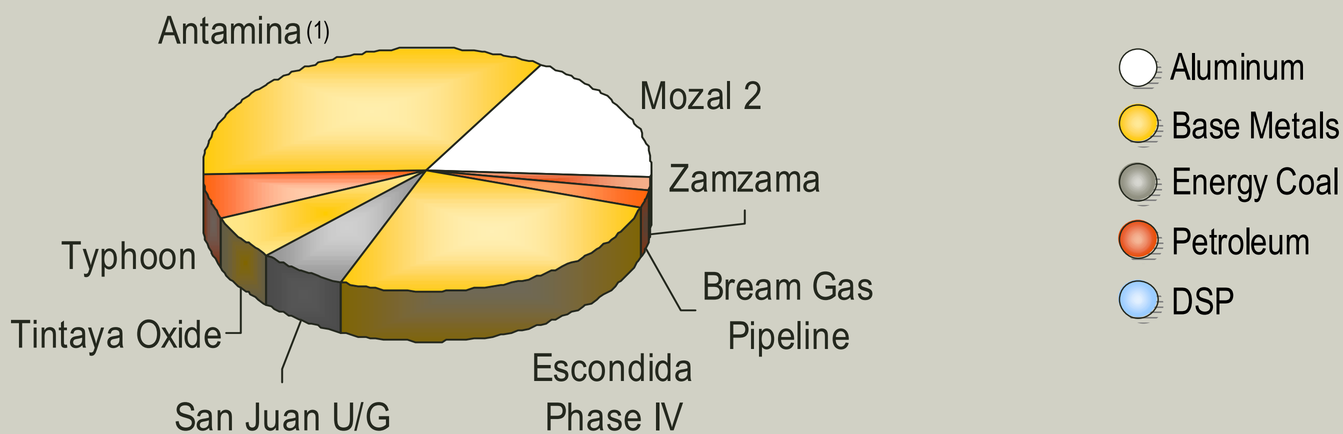
Value Driver 1 – Outstanding Assets EBIT Margins[1]



(1) Excluding third party product activities. Refer to slide 39 for further information. 2001 includes BHP Steel.

Value Driver 2 – Growth Projects Budgeted Expenditure





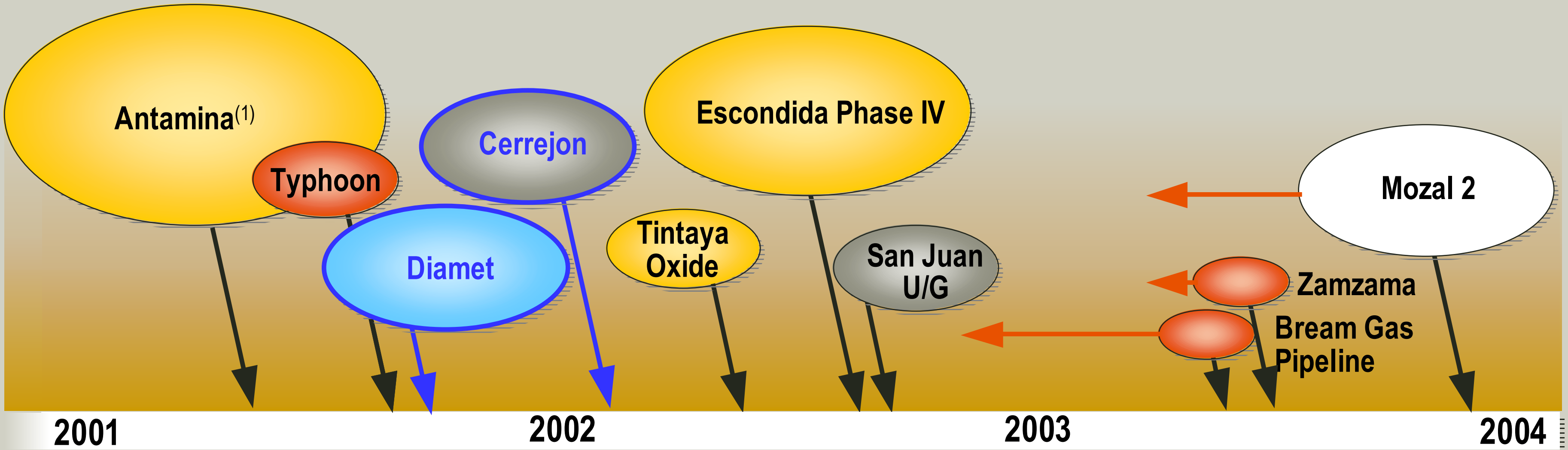
Size of bubble indicates BHP Billiton share of budgeted capital expenditure — $US 50M

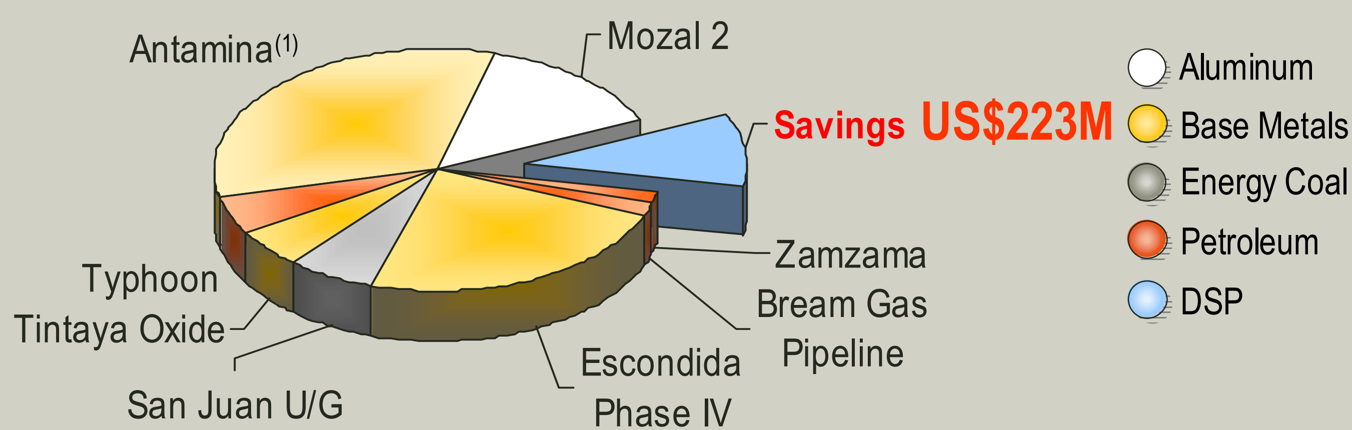
Bolt-on acquisitions

Budgeted expenditure - US$2,282 million

(1) Joint Venture participation only.

Value Driver 2 – Growth Projects
Actual expenditure





Size of bubble indicates BHP Billiton share of budgeted capital expenditure — $US 50M

Bolt-on acquisitions

Actual expenditure - US$2,059 million

(1) Joint Venture participation only.

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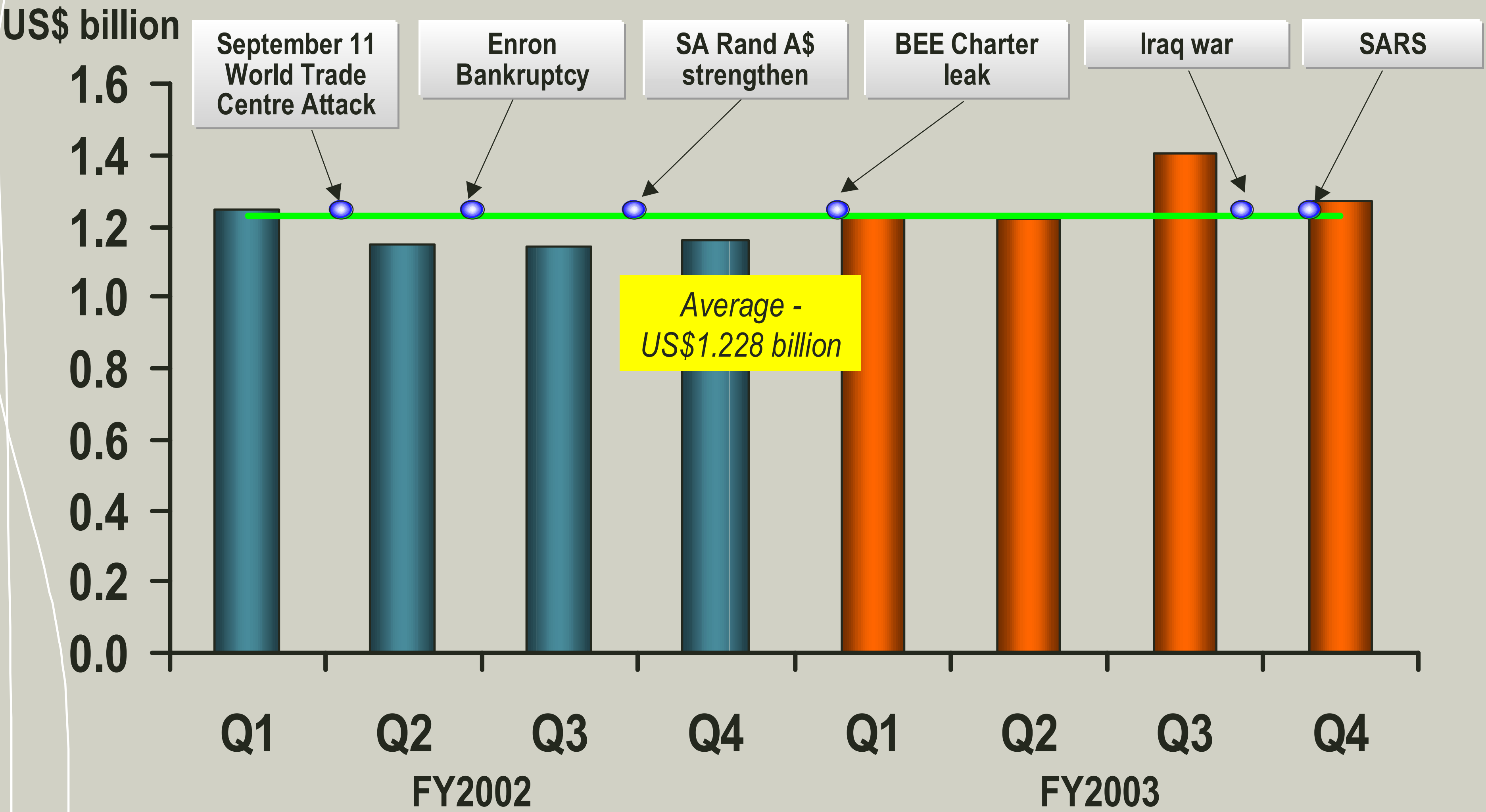
Value Driver 3 - Customer Centric Marketing

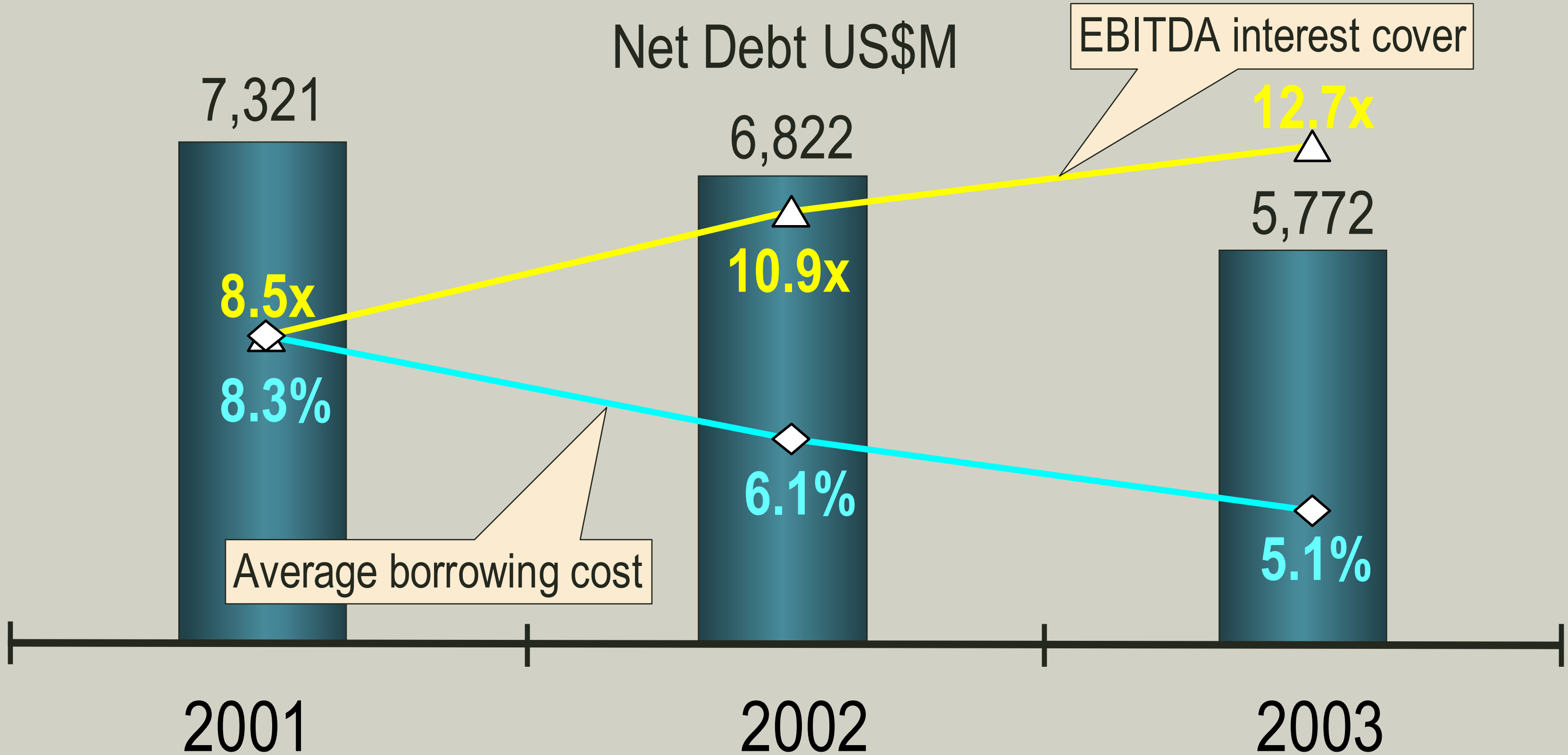
- **Selling more product**
  - Increased volumes = buying power in terms of freight & logistics
  - Hub and spoke structure - foundation for cross commodity opportunities
- **At higher margins**
  - Target margin increment of 2 to 3 per cent
  - Own and third party product tonnage arbitrage
- **By meeting the needs of our customers**
  - Increased CIF/CFR shipments
  - Stockpile management
  - Helping customers use our products efficiently
- **While reducing risk**
  - Knowing the customer = knowing the market = reducing risk
  - Integrated system established and use of cashflow at risk tools
  - Logistics systems to manage port congestion

Value Driver 4 - The Portfolio Effect
Stable EBITDA (1)



(1) From continuing operations, excluding exceptional items. Refer to slide 39 for further information

Value Driver 4 - The Portfolio Effect
Financial Strength



Moody's Investment Services *A3* → *A2*

Standard & Poor's *A-* → *A* *Positive Watch*

Average borrowing cost = gross interest for period / average gross debt for period.
EBITDA interest cover based on net interest.
Data excludes exchange differences arising from debt and discounting of provisions.

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Value Driver 5 – Petroleum
Delivering value through Operations and Exploration

- Top quartile performance against peers (1)
  - Profit margin of US$7.33 boe
  - Return on capital of 24.8%

- 3 projects successfully commissioned since the merger
  - Typhoon
  - Bream gas pipeline
  - Zamzama

- Positive exploration results in Gulf of Mexico and Australia

- The Wood Mackenzie study into value creation from exploration activities, ranked BHP Billiton in the top quartile

(1) Calculated on a three year average basis.

Strategic focus

Summary and outlook

- China set for another year of strong growth
  - US$1.2 bn of direct sales; 7% of turnover
  - Continued strong demand for iron ore and alumina
  - Increasing sales of coking coal, manganese, nickel and copper
  - Increasing confidence that demand is sustainable
- Demand remains subdued in US and Europe, however, there are some encouraging signs
- Continued investment in growth projects
- BHP Billiton is well placed to respond to new opportunities

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Strategic Framework scorecard

Value Driver	Strategic imperatives	Performance measures	FY03 performance
I. Outstanding assets	Zero harm	Improve HSEC statistics	Injury rates improved by 20% Improvements in most eco-efficiency measures
		Community – 1% of pre-tax profits	1.4%
	Operating excellence	Cut operating costs by 2%pa	US$310 million
		Return on capital >15% by 2006	13.4%
II. Growth from a deep inventory of growth projects	Investment judgement Project management skills	Decide/implement projects	5 projects commissioned all on or under budget and schedule US$4.6bn of sanctioned major projects currently in development
III. Customer centric marketing	Serving customers best	Preferred supplier status	Increased our market share of export products to China Development of single marketing system Increased third party product sales

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Strategic Framework scorecard

Value Driver	Strategic imperatives	Performance measures	FY03 performance
IV. The portfolio effect	Portfolio management Funding and capital management	Credit rating of 'A' or better Positive cash flow before dividends & funding EBITDA interest cover >8x	S&P: A (+ve); Moodys: A2 $1.6bn 12.7x
V. The Petroleum CSG	Value adding growth	Low discovery costs Growing reserves and production	F&D costs US$6.47/bbl Reserve replacement ratio 139%
VI. Innovation	Creative thinking Commercial judgement Transaction execution		Falcon Sulphide leaching of copper ores Technical marketing
VII. Employees	Organisation effectiveness Resourcing Succession planning & development Performance management	Effectively aligned organisation The best people available in the right roles Succession and development plans in place for all key roles Performance management process embedded	Robust organisation structure in place post merger Reviewed Company and Industry skill requirements; identified gaps Succession plans completed; development process defined Performance review process defined; Group Incentive Scheme introduced

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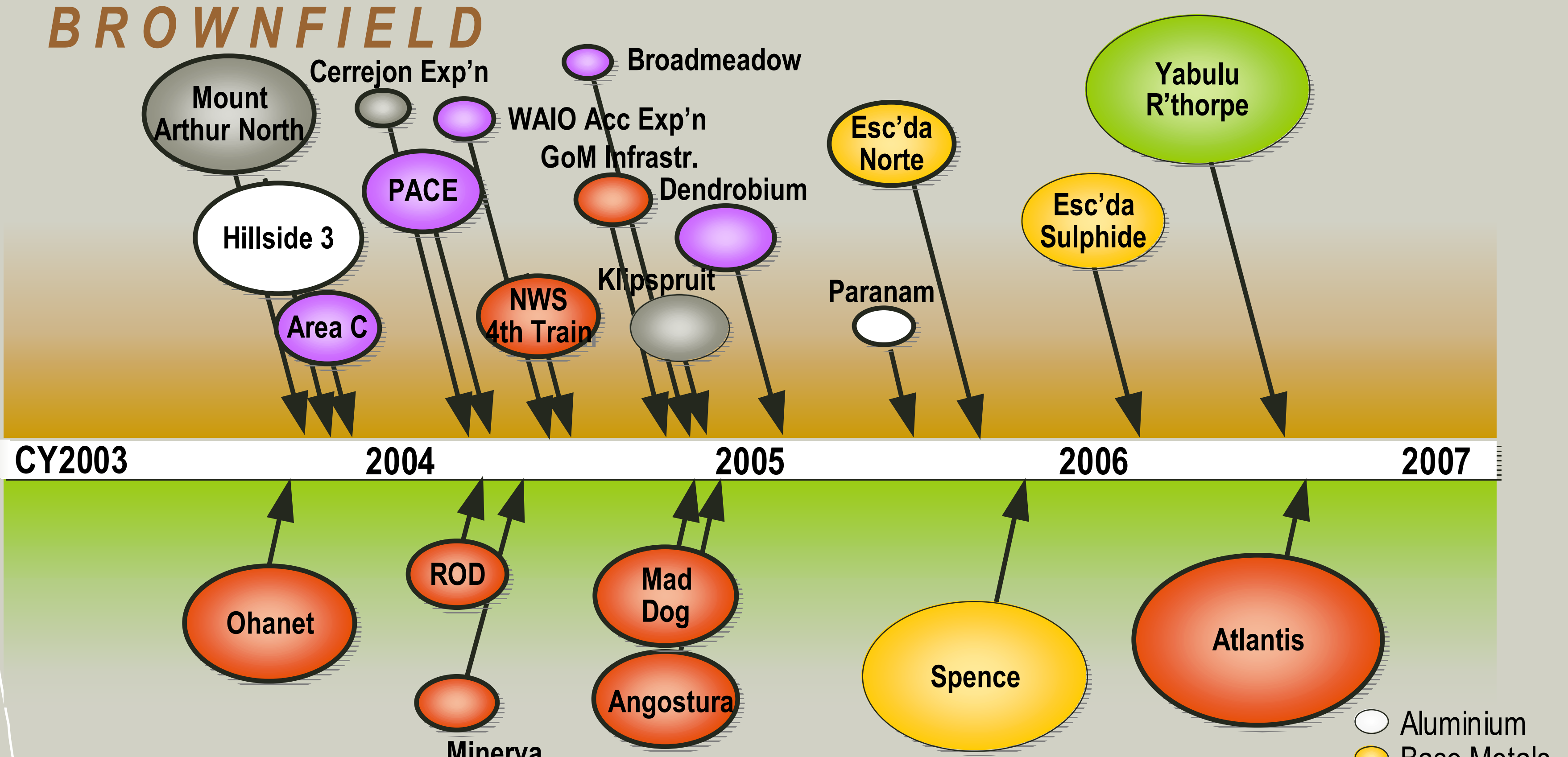
Deep inventory of projects



As at 28 August 2003

Size of bubble indicates proposed capital expenditure; bold outer border signifies sanctioned project — $US 200M

Growth pipeline – update on sanctioned projects Minerals

Project	Commodity	Share of Capex US$M	Initial production target date	Share of production capacity	Progress
Hillside 3 (South Africa) – 100%	Aluminium	449	Q4 2003	132,000 tpa	Two quarters ahead of initial schedule
Paranam refinery expansion (Suriname) – 45%	Alumina	29	Q3 2005	Increase capacity to 2.2 million tpa (100%)	On time
Cerrejon Zona Norte (Colombia) – 33.3%	Energy coal	50	Q1 2004	28 million tpa by 2008 (100%)	On time
Area C (Australia) – 85%	Iron ore	181	Q4 2003	12.75 million tpa	On time
WA Iron Ore accelerated expansion (Australia) – 85%	Iron ore	66	Q2 2004	Increase system capacity to 100 million tpa (100%)	On time
Product & Capacity Expansion (Australia) – 85%	Iron ore	299	Q1 2004	Increase port capacity to 100 million tpa (100%)	One quarter ahead of initial schedule
Broadmeadow underground coal mine (Australia) – 50%	Met coal	34	Q4 2005	1.8 million tpa saleable coal	On time
Dendrobium (Australia) – 100%	Met coal	170	Q1 2005	5.2 million tpa raw coal (3.6 million tpa clean coal)	One quarter ahead of initial schedule
Mt Arthur North (Australia) – 100%	Energy coal	411	Q4 2003	15 million tpa raw coal (12.1 million tpa saleable coal)	On time
Escondida Norte (Chile) – 57.5%	Copper	230	Q4 2005	Maintain capacity at 1.25 million tpa (100%)	On time

Target completion dates are calendar quarters

Growth pipeline – update on sanctioned projects Petroleum

Project	Commodity	Share of Capex US$M	Initial production target date	Share of production capacity	Progress
Ohanet (Algeria) – 45%	Gas	464	Q3 2003	26,100 boe/day	One quarter ahead of schedule
ROD (Algeria) – 36%	Oil/gas	192	Q1 2004	28,800 boe/day	On time
Mad Dog (US) – 23.9%	Oil/gas	335	Q4 2004	20,700 boe/day	On time
Atlantis (US) – 44%	Oil/gas	1,100	Q3 2006	79,200 boe/day	On time
GoM Pipelines Infrastructure (US) – 22/25%	Oil/gas	100	Q4 2004	Capacities of Oil – 450,000 bbl/day (100%) Gas – 500 million scf/day (100%)	On time
NWS Train 4 (Australia) – 16.7%	LNG	237	Q2 2004	4.2 million tpa liquification processing facility (100%)	On time
Minerva (Australia) – 90%	Gas	123	Q1 2004	150 terrajoules per day	Under review
Angostura (Trinidad) – 45%	Oil/Gas	327	Q4 2004	45,000 bbl oil per day	On time

Target completion dates are calendar quarters

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Growth projects commissioned since merger

Project	Our share of capex		Initial production date	
	Budget	Actual	Budget	Actual
Mozal 2 (Mozambique) – 47.1%	405	**313***	Q4 2003	**Q2 2003**
Zamzama (Pakistan) – 38.5%	40	40*	Q3 2003	**Q2 2003**
Bream Gas Pipeline (Australia) – 50%	50	**34**	Q2 2003	**Q4 2002**
Escondida Phase IV (Chile) – 57.5%	600	**543**	Q3 2002	Q3 2002
San Juan underground (USA) – 100%	146	**143**	Q3 2002	Q3 2002
Tintaya Oxide (Peru) – 99.9%	138	**120**	Q2 2002	Q2 2002
Typhoon (USA) – 50%	128	**114**	Q3 2001	Q3 2001
Antamina (Peru) – 33.75%	775	**752**	Q2 2001	Q2 2001

Target completion dates are calendar quarters

* Final costs have not been determined. Share of actual capex is indicative only.

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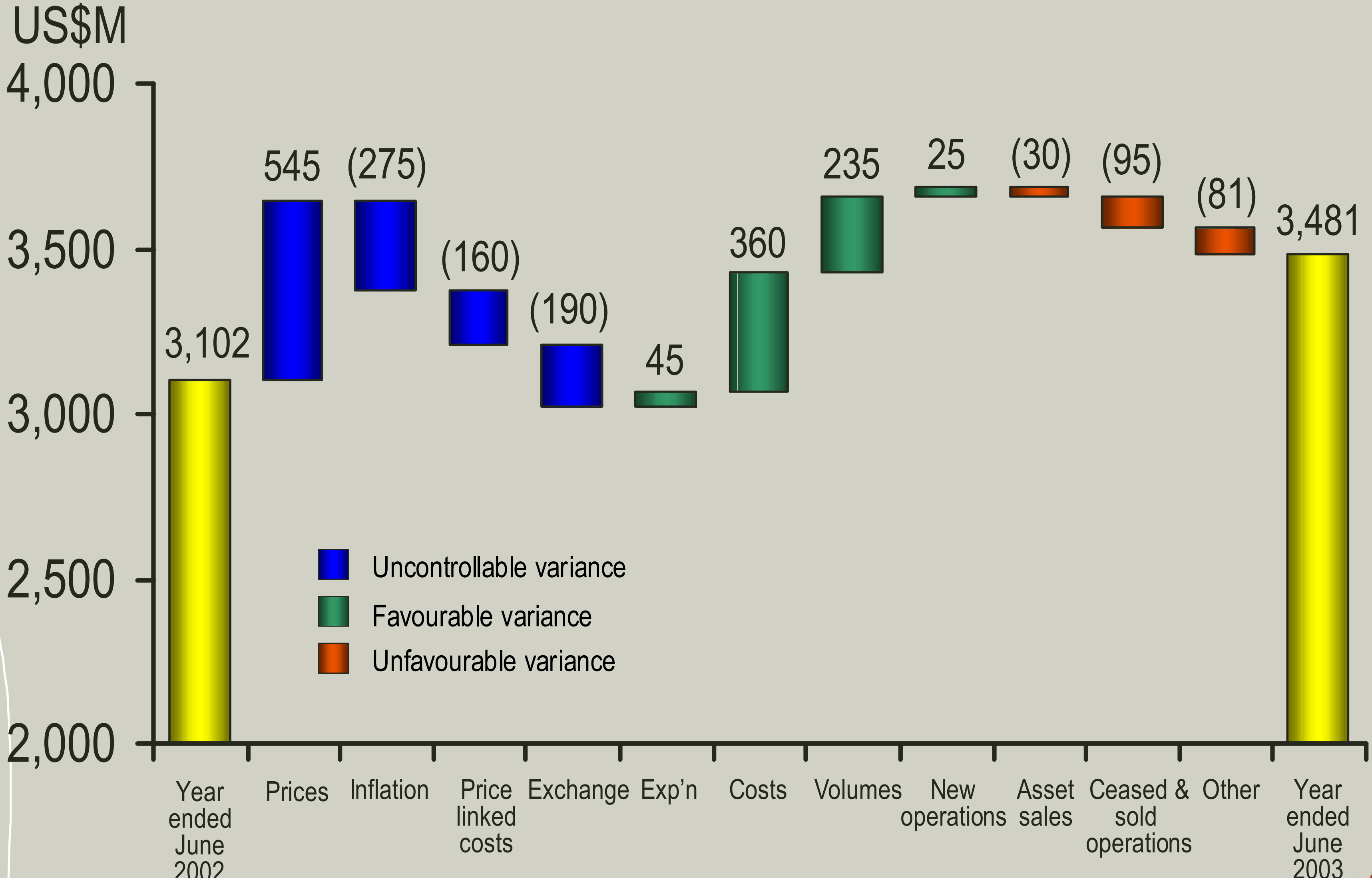
Capital expenditure

(US$M)	2003 Actual	2004 Forecast
Project expenditure	**1,995**	2,270
Sustaining capital	**671**	700
Exploration expenditure (1)	**348**	340
Total	**3,014**	3,310

(1) 2004 forecast made up of US$250 million Petroleum exploration and US$90 million Minerals exploration expenditure.

EBIT analysis – Continuing operations
Year ended 30 June 03 v year ended 30 June 02



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Strategic framework US$500M cost reduction target

Methodology principles

- Commodity based – unit costs
- FY01 base year – consistent with merger synergies
- Adjusted for price linked costs, exchange rates, inflation and exceptionals

Cost savings and efficiency gains result from:

- Operating excellence
- Portfolio mix
- Strategic sourcing

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USD functional currency policy - general level of exposure

(US$M)	AUD	Rand	Impact
Net payables, receivables & employee provisions	(300)	(100)	EBIT
Resource Rent Tax provision	(200)	-	EBIT
Tax provisions	(600)	(400)	Tax
Debt	-	(600)	Interest
Total	(1,100)	(1,100)	P&L
Restoration & Rehab	(900)	(300)	Bal sheet

Key net profit sensitivities

Approximate impact on FY04 net profit after tax of changes of:	(US$M)
US$1/t on iron ore price	45
US$1/bbl on oil price	35
US$1/t on metallurgical coal price	20
USc1/lb on aluminium price	20
USc1/lb on copper price	15
US$1/t on energy coal price	15
USc1/lb on nickel price	1

Key net profit sensitivities

Approximate impact on FY04 net profit after tax of changes of:	(US$M)
Australian dollar (USc1/A$)	
Operations (net of hedging)(1)	30
Net monetary liabilities(2)	20
South African Rand (0.2 Rand/US$)	
Operations(1)	20
Net monetary liabilities(2)	10
Rand debt(2)	15

(1) Impact based on average exchange rate for the period
(2) Impact based on difference in opening and closing exchange rates for the period

Preliminary results under Australian GAAP
Year ended 30 June

(US$M)	2003	2002
Sales revenue	15,608	15,896
Profit before tax	2,783	2,607
Profit after tax attributable to members	1,860	1,648
EPS (US cents)	30.0	27.3

Non GAAP measures used within this presentation

EBITDA

EBITDA is earnings before interest and tax, from continuing operations, before depreciation and amortisation of Group companies, as detailed below. We believe that EBITDA provides useful information, but should not be considered an indication of or alternate to net profit as an indicator of operating performance or as an alternative to cashflow as a measure of liquidity.

US$ million	FY2002				FY2003			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
EBIT	867	729	751	755	844	815	964	858
Depreciation & Amortisation	381	418	390	406	386	406	442	414
EBITDA	1,248	1,147	1,141	1,161	1,230	1,221	1,406	1,272

Earnings excluding restatement of debt and net monetary liabilities

Slide 10 refers to net profit after tax from continuing operations, excluding exceptional items and restatement of net monetary liabilities, as detailed below. We believe that this provides useful information but should not be considered an indication of or alternate to net profit as an indicator of operating performance.

US$ million	FY2002				FY2003			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Profit after Tax	566	589	398	313	572	359	444	545
Restatement of debt and net monetary liabilities	138	289	(82)	(165)	95	(233)	(168)	(74)
Net Profit after Tax excluding restatements	428	300	480	478	477	592	612	619

EBIT margin excluding third party product activities

Slide 17 refers to EBIT margins, excluding third party product activities, as detailed below. We believe that this provides useful information but should not be considered an indication of or alternate to margins derived from net profit as an indicator of operating performance.

US$ million	FY2001	FY2003
Turnover	19,079	17,506
EBIT	3,627	3,481
EBIT margin (%)	19.0	19.9
Turnover from third party product activities	2,027	3,382
EBIT from third party product activities	45	43
Turnover excluding third party product activities	17,052	14,124
EBIT excluding third party product activities	3,582	3,438
EBIT margin excluding third party product activities (%)	21.0	24.3

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