

# Preliminary Results – 30 June 2005

24 August 2005

Chip Goodyear      Chief Executive Officer

Chris Lynch        Chief Financial Officer



**bhpbilliton**

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# Preliminary Results – 30 June 2005

Chip Goodyear

Chief Executive Officer



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# Highlights – year ended June 2005

- HSEC – 12 month rolling Classified Injury Frequency Rate at 3.9, improvement of 21%
- Record full year earnings
  - EBITDA up 53% to US\$11.4 billion
  - EBIT up 70% to US\$9.3 billion
  - Attributable profit of US\$6.5 billion and earnings per share of 106.4 US cents, up 86% and 89%, respectively
- EBIT up across all CSGs with Group EBIT margin of 37.1%<sup>1</sup>
- Available cashflow up 70% to US\$8.7 billion
- Eight major projects commissioned since 30 June 2004
- Successful US\$7.2 billion acquisition of WMC Resources
- Successful completion of US\$2 billion capital management programme
- Final dividend increased to 14.5 US cents per share, consistent with outlook and higher earnings and cashflow

# Preliminary Results – 30 June 2005

Chris Lynch

Chief Financial Officer



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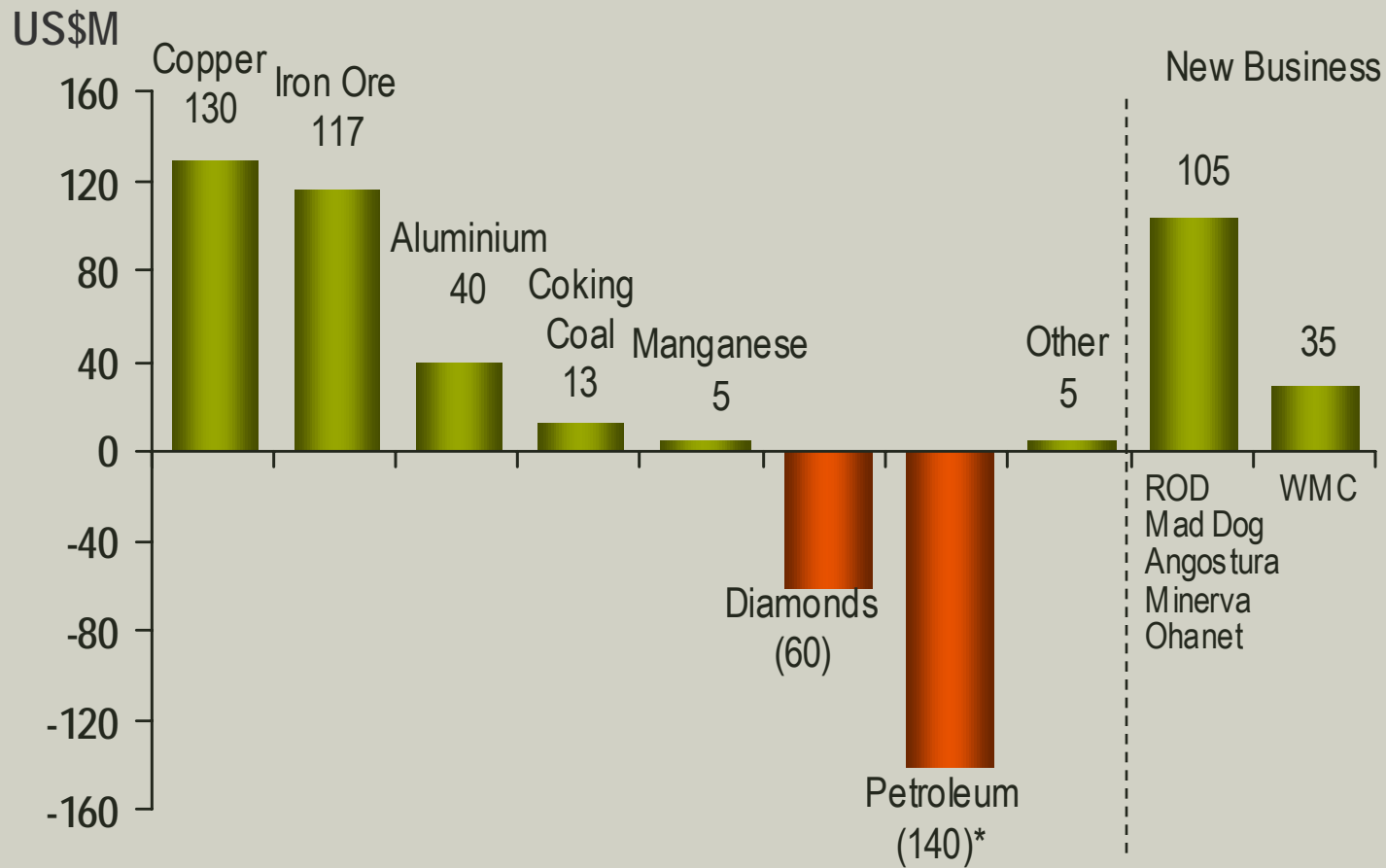
# Results highlights

Year ended June (US\$M)	2005	2004	% Change
Turnover <sup>(1)</sup>	31,804	24,943	+28
EBITDA <sup>(1)(2)</sup>	11,446	7,506	+53
EBIT <sup>(1)(2)</sup>	9,330	5,488	+70
<b>Attrib profit <sup>(1)(2)</sup></b>	<b>6,512</b>	<b>3,510</b>	<b>+86</b>
Exceptional items	(114)	(131)	
Attrib profit (incl exceptionals) <sup>(1)</sup>	6,398	3,379	+89
<b>Available cash flow <sup>(1)</sup></b>	<b>8,688</b>	<b>5,100</b>	<b>+70</b>
EPS (US cents) <sup>(1)(2)</sup>	106.4	56.4	+89
EBITDA interest cover (times) <sup>(1)(2)</sup>	34.7	21.1	+64
<b>Dividends per share (US cents)</b>	<b>28.0</b>	<b>26.0</b>	<b>+8</b>

# EBIT by Customer Sector Group

Year ended June (US\$M)	2005	2004	% Change
Petroleum	1,830	1,391	+32
Aluminium	977	776	+26
Base Metals	2,177	1,156	+88
Carbon Steel Materials	2,821	1,137	+148
Diamonds & Spec Products	498	446	+8
Exploration & Technology	(81)	(36)	
Energy Coal	616	234	+163
Stainless Steel Materials	758	571	+33
Group & unallocated items	(266)	(187)	
<b>BHP Billiton (Total)</b>	<b>9,330</b>	<b>5,488</b>	<b>+70</b>

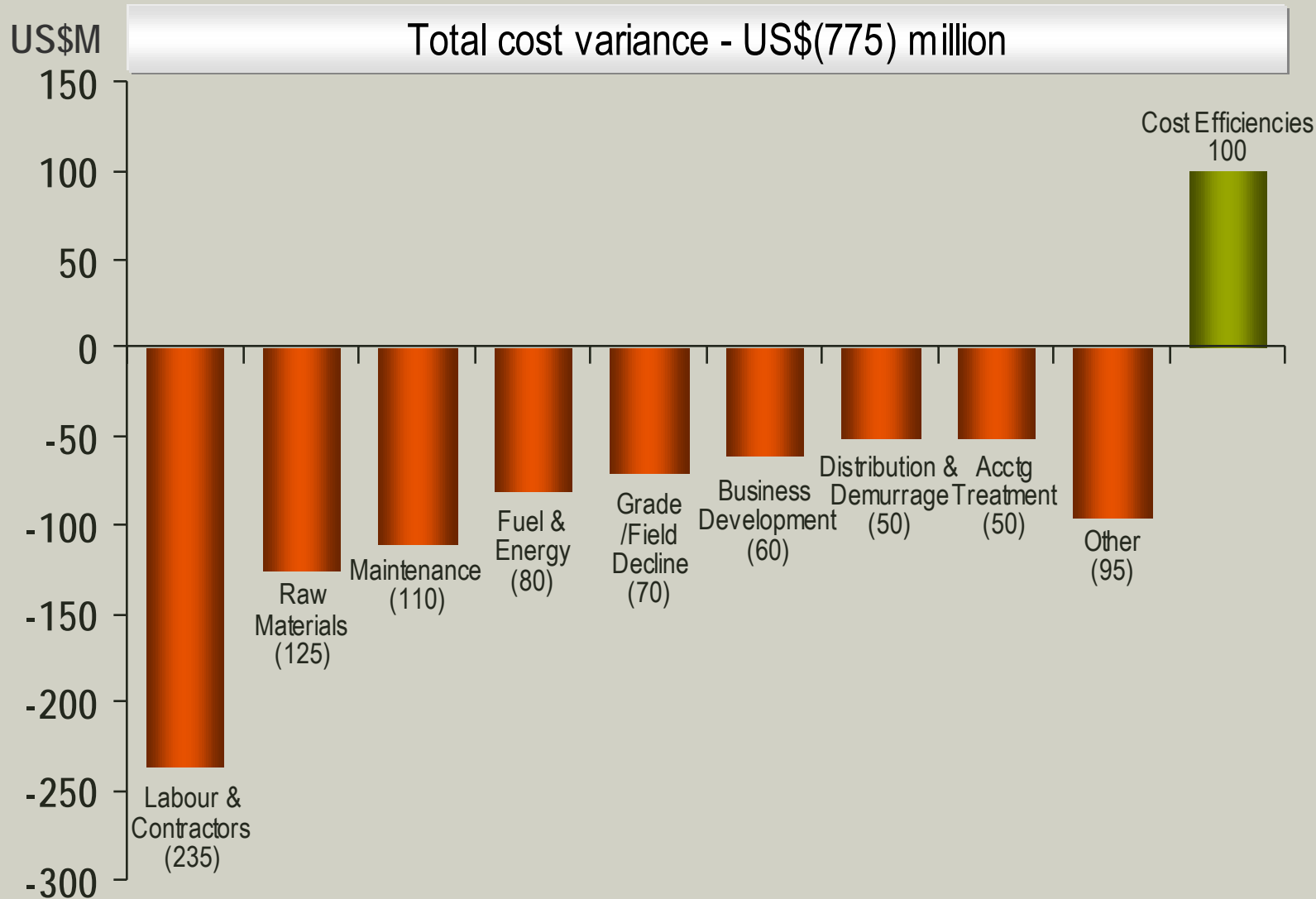
# Impact of major volume changes on EBIT (at FY04 margins) Year ended June 2005 vs year ended June 2004





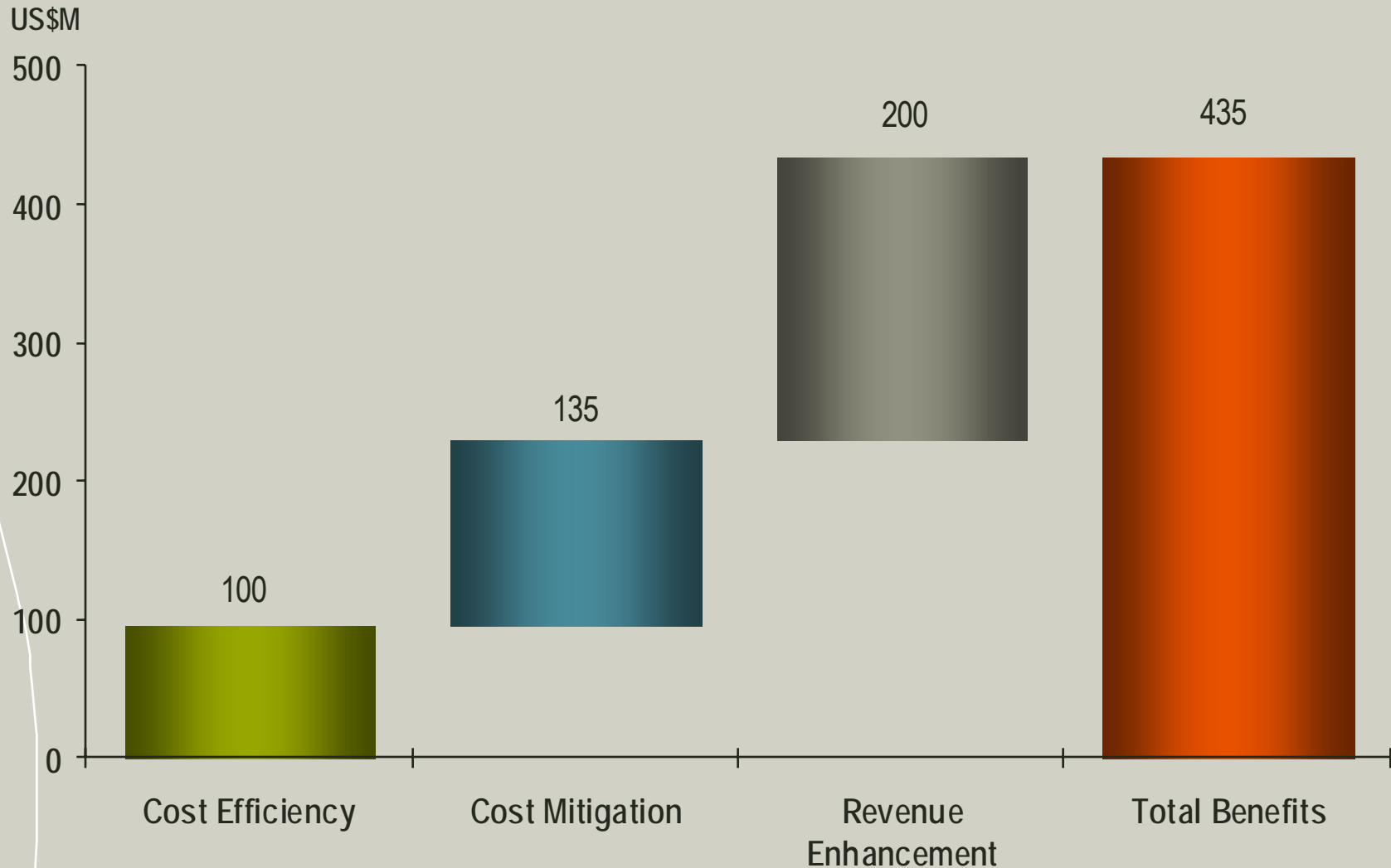
# Cost impact on EBIT

## Year ended June 2005 vs year ended June 2004



# Cost and revenue improvement initiatives

## Year ended June 2005



## Net interest, taxation and attributable profit

Year ended June (US\$M)	2005	2004
EBIT	9,330	5,488
Net interest expense	(330)	(355)
Exchange impact on debt	(1)	(133)
Discounting of provisions/Capitalised interest	(90)	(14)
Profit before tax	<u>8,909</u>	<u>4,986</u>
Tax expense	(2,331)	(1,317)
Exchange impact on tax expense	116	(62)
Minorities	(182)	(97)
Attributable profit	<u>6,512</u>	<u>3,510</u>

# Cash flow

Year ended June (US\$M)	2005	2004
Operating cash flow and JV dividends	10,883	6,769
Net interest paid	(500)	(332)
Tax paid	<u>(1,695)</u>	<u>(1,337)</u>
Available cash flow	8,688	5,100
Capital expenditure	(3,831)	(2,589)
Exploration expenditure	(533)	(454)
Sale of fixed assets & investments	903	211
Acquisitions & disposals of subsidiaries and JVs	<u>(6,442)</u>	<u>179</u>
Net cash flow before dividends and funding	(1,215)	2,447
Dividends paid	<u>(1,404)</u>	<u>(1,501)</u>
Net cash flow before funding	(2,619)	946

# Preliminary Results – 30 June 2005

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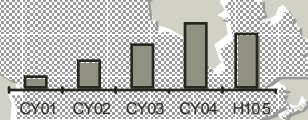
# Outlook - 2005

## USA

Improvements in consumer spending, industrial production and employment

Tightening in monetary policy

High oil prices not impacting growth



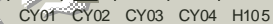
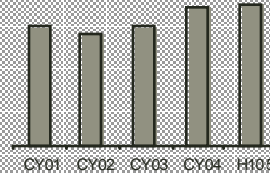
## China

GDP growth rate remains strong and sustainable

Fixed asset investment focussed on infrastructure de-bottlenecking

RMB revaluation neutral to positive

Quality and sustainability of growth is key



## Europe

Subdued domestic demand, high unemployment and strong Euro

Limited improvement expected in next 12 months

## Japan

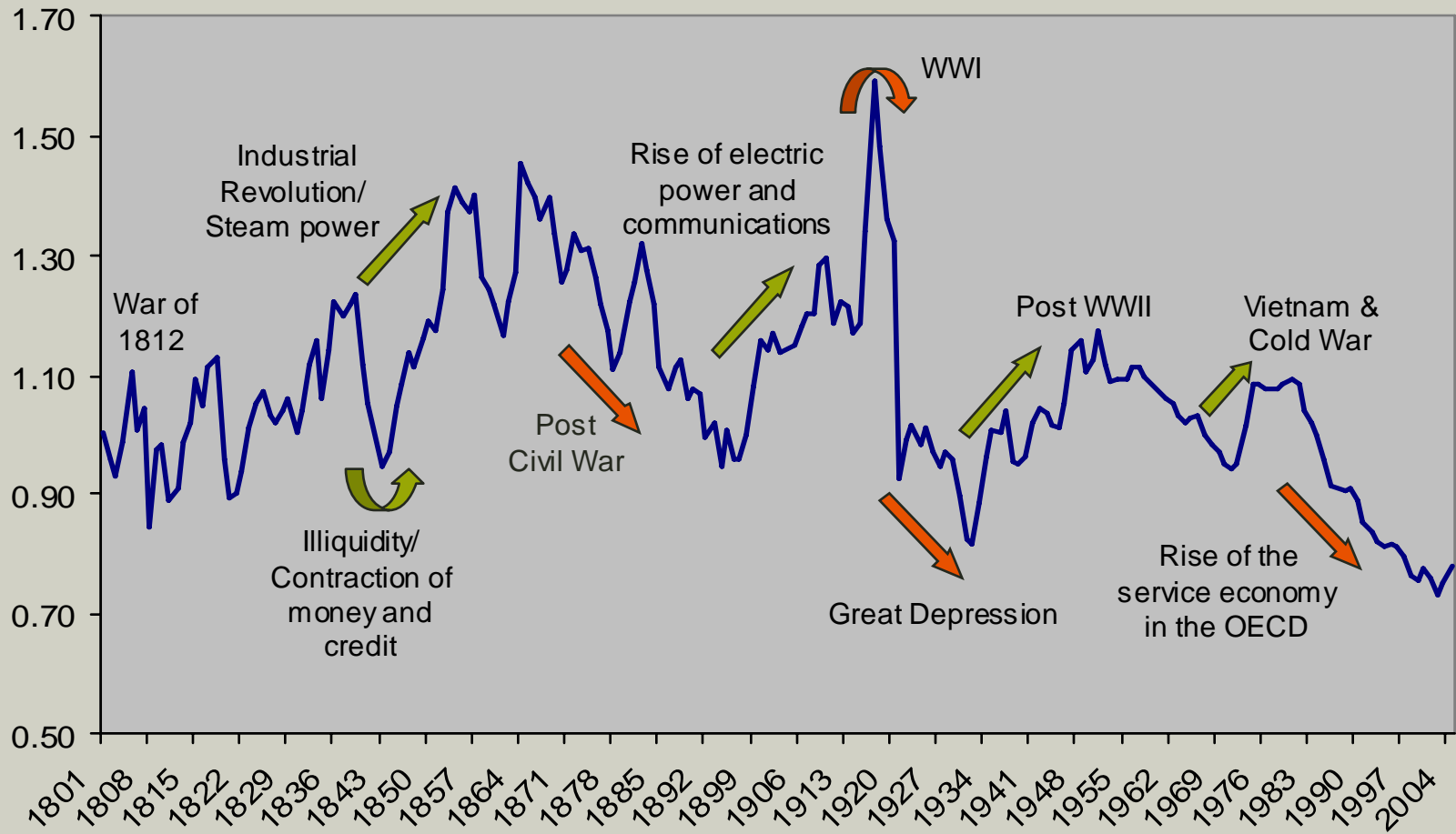
Confidence increasing due to domestic demand

Rising business confidence, capital expenditure and employment

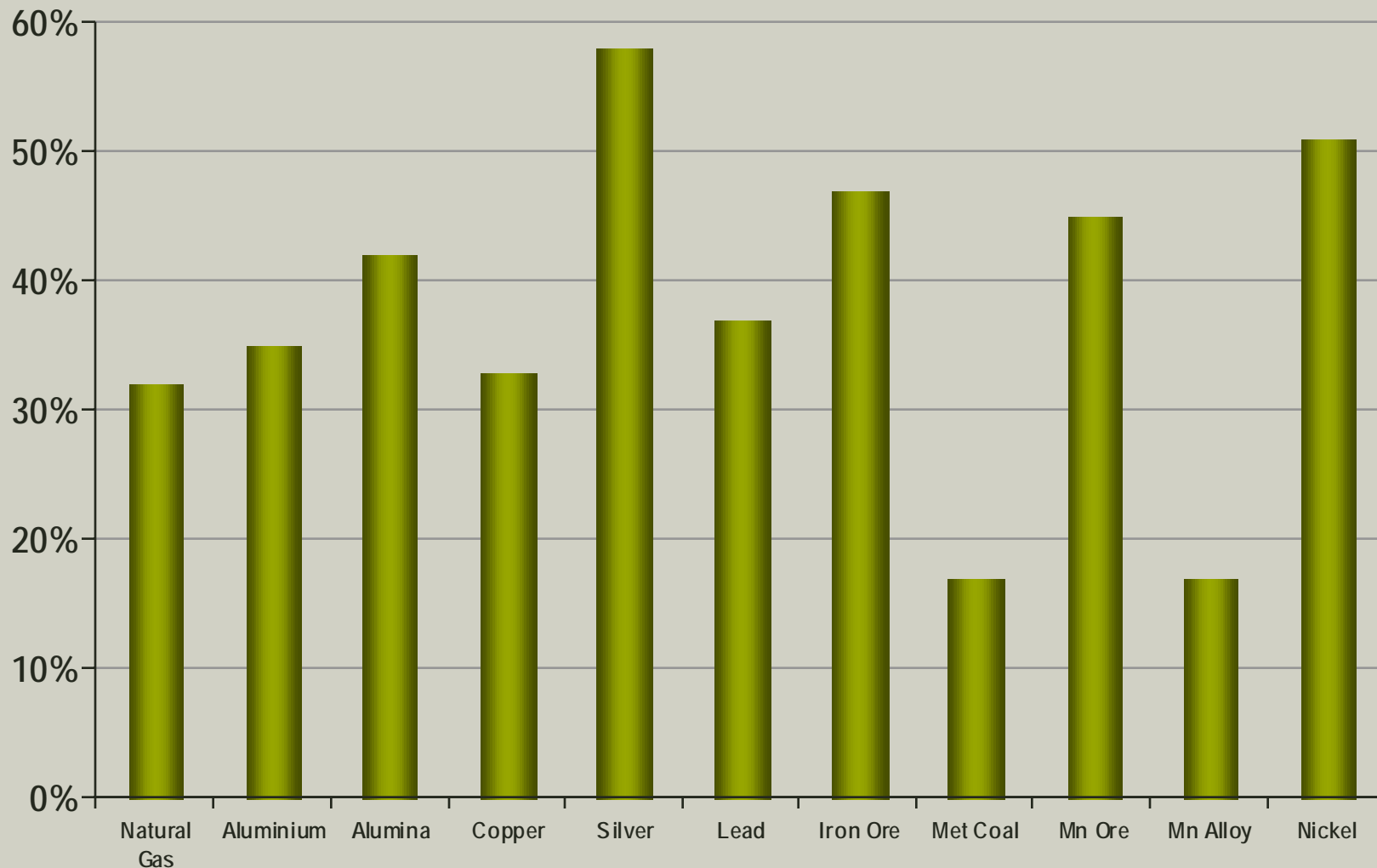
Higher raw material and energy prices not materially impacting growth

# Commodity price cycle – 200 year view

## US Commodity Price Index adjusted for CPI



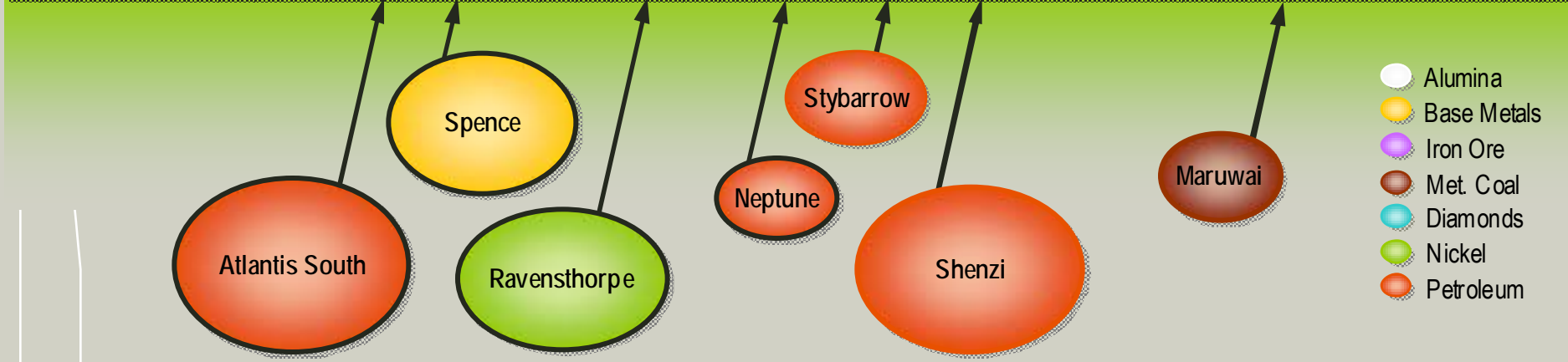
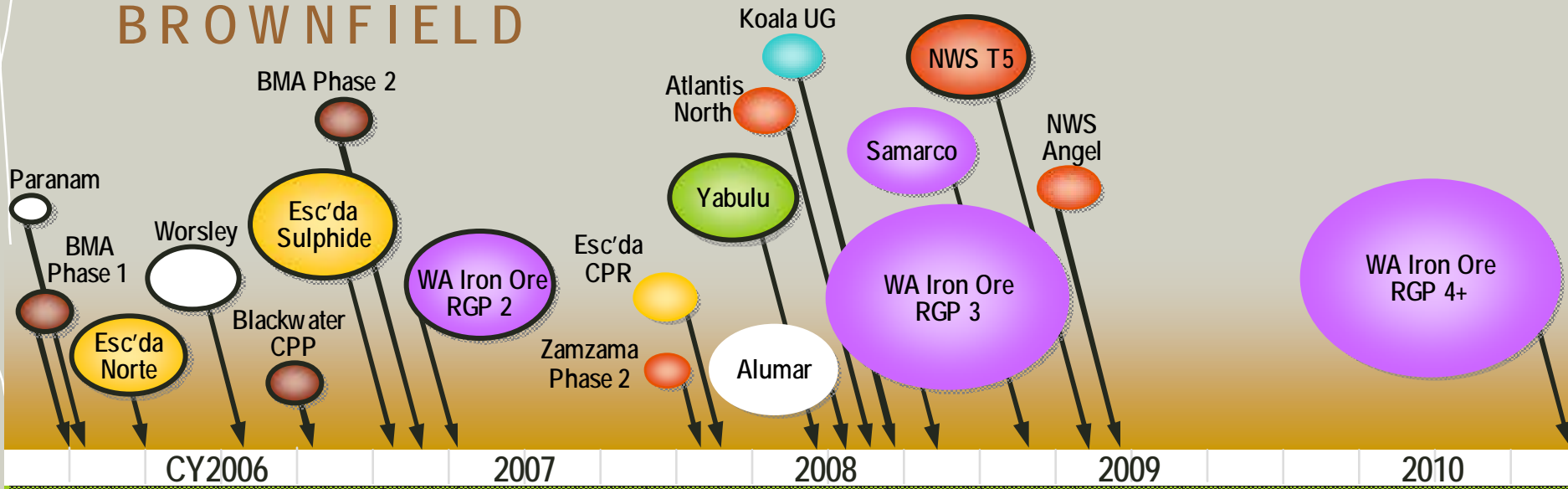
# Volume growth Year ended June 2001 to year ended June 2005





# Deep inventory of growth projects

## BROWNFIELD



- Alumina
- Base Metals
- Iron Ore
- Met. Coal
- Diamonds
- Nickel
- Petroleum

## GREENFIELD

Preliminary Results  
Slide 17 24 August 2005

As at 24 August 2005  
Size of bubble indicates proposed capital expenditure;  
bold outer border signifies sanctioned project

\$US  
200M



# WMC creates further growth options

- 100% ownership achieved 2 August 2005
- Integration proceeding on schedule
- Olympic Dam expansion in Pre-Feasibility
- Focus to optimise current nickel system
- Ongoing WA nickel exploration
- 'Gems' identified for use in BHP Billiton

# Summary and conclusions

- Strong production performance leading to record financial results
- Outlook remains positive
  - Strong demand
  - Low inventories
  - Supply lagging demand
- Portfolio diversification drives cash flow stability
- Track record of delivering growth in line with market demand
- Management will continue to exercise value accretive expansion options to capture our share of demand growth

**Increasing Shareholder Value**

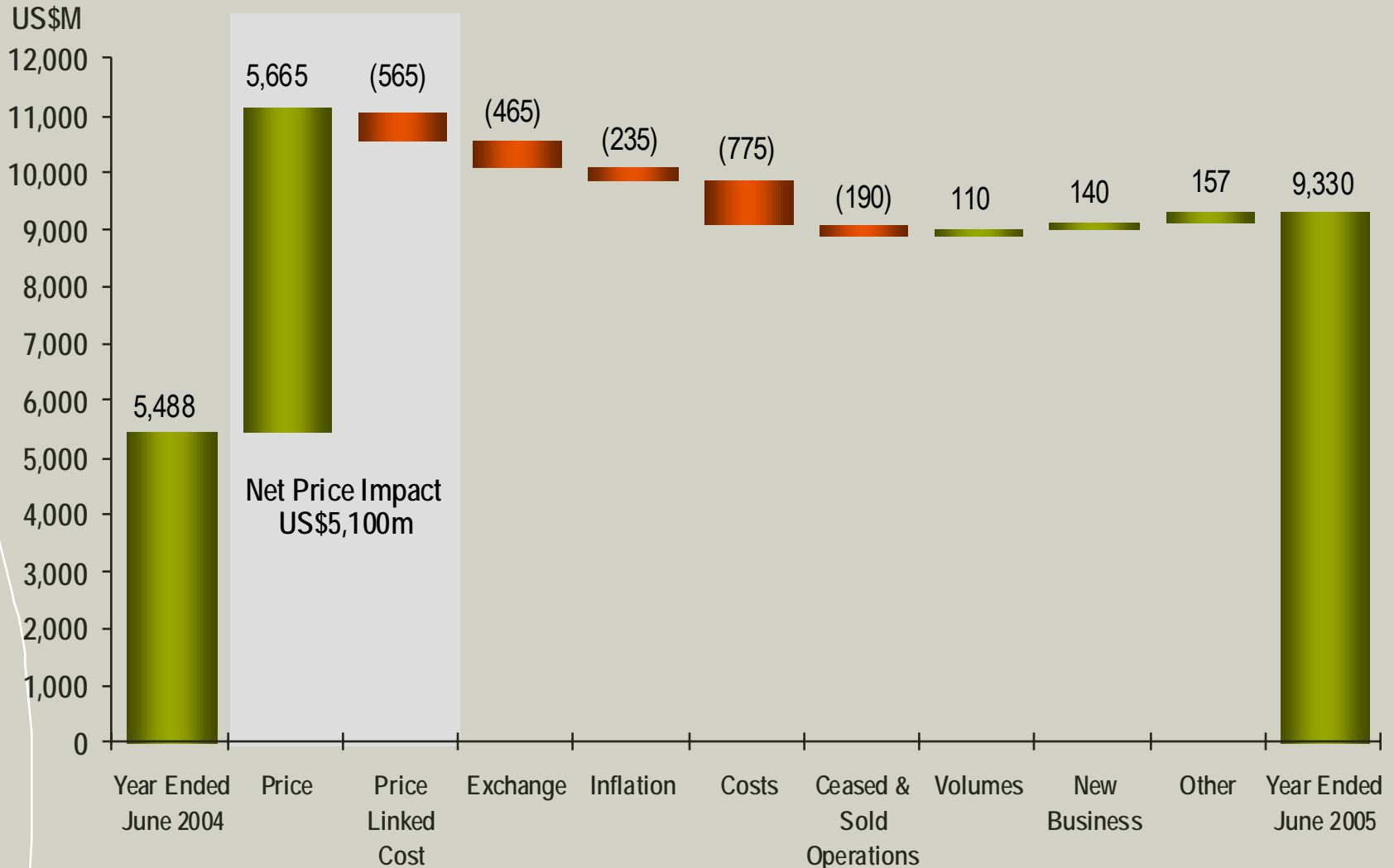
# Appendix



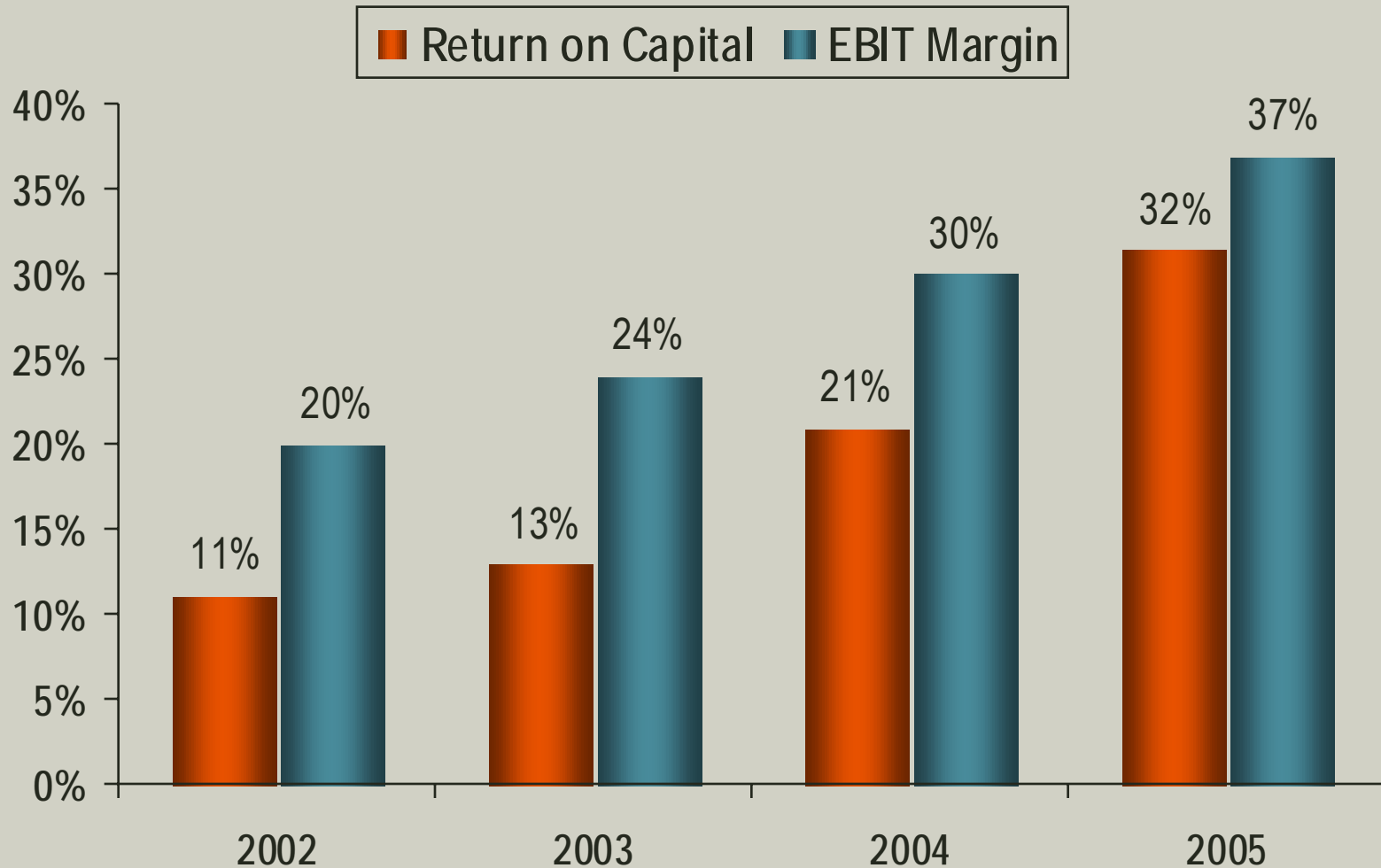
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# EBIT analysis

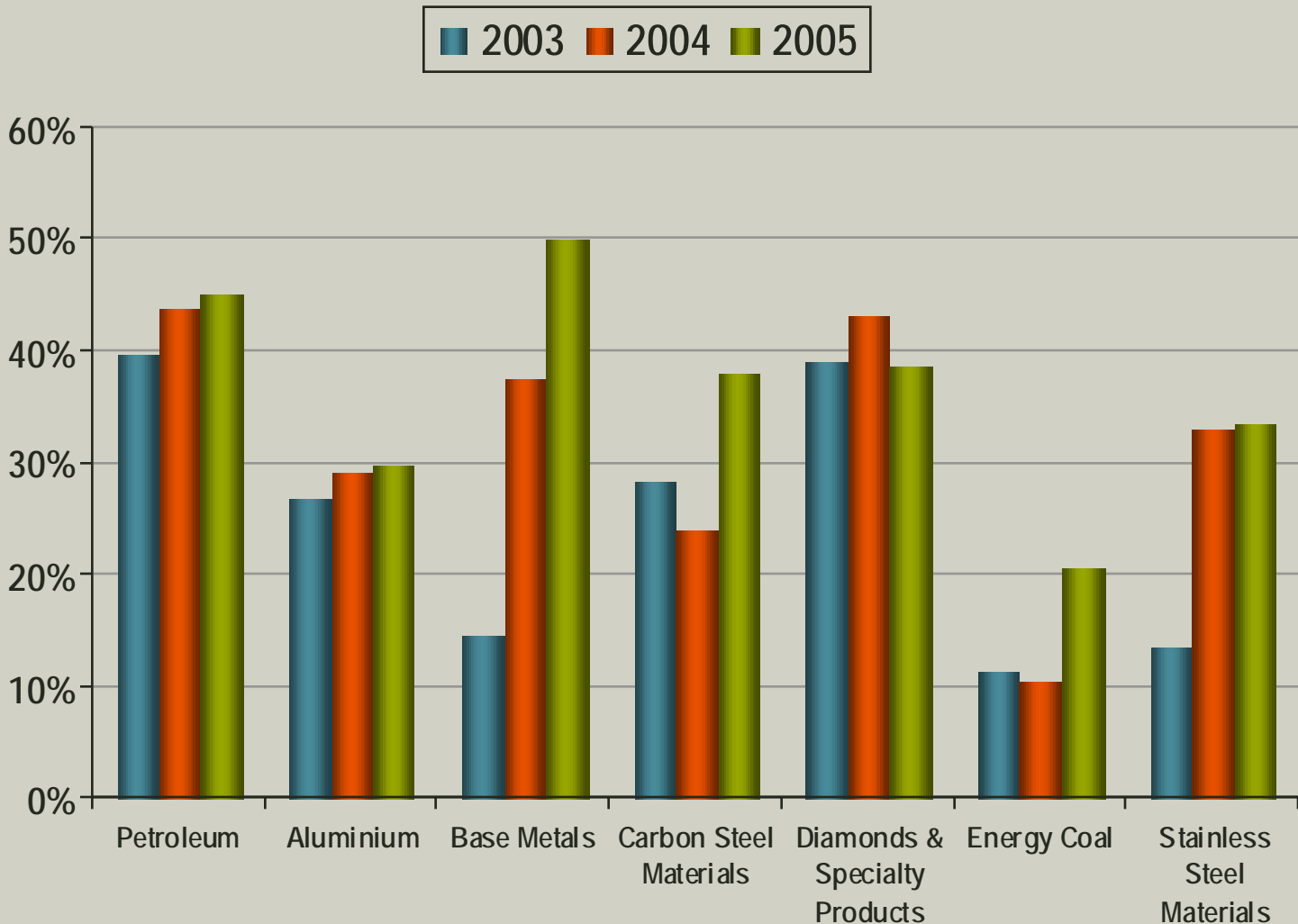
## Year ended June 2005 vs year ended June 2004



# Outstanding assets Increasing margins and return on capital

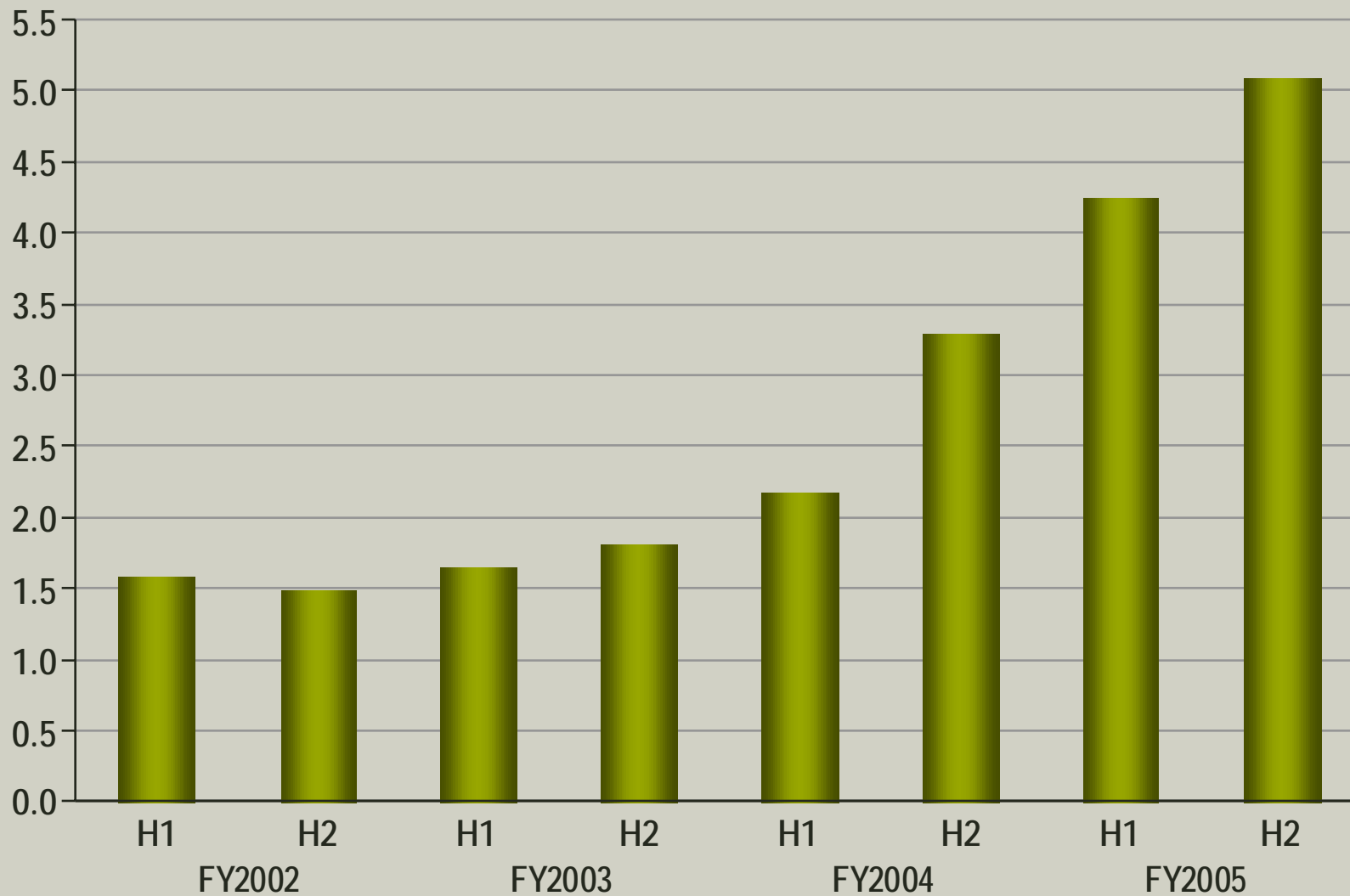


# Outstanding assets EBIT margin growth by Customer Sector Group



# EBIT growth since July 2001

US\$bn



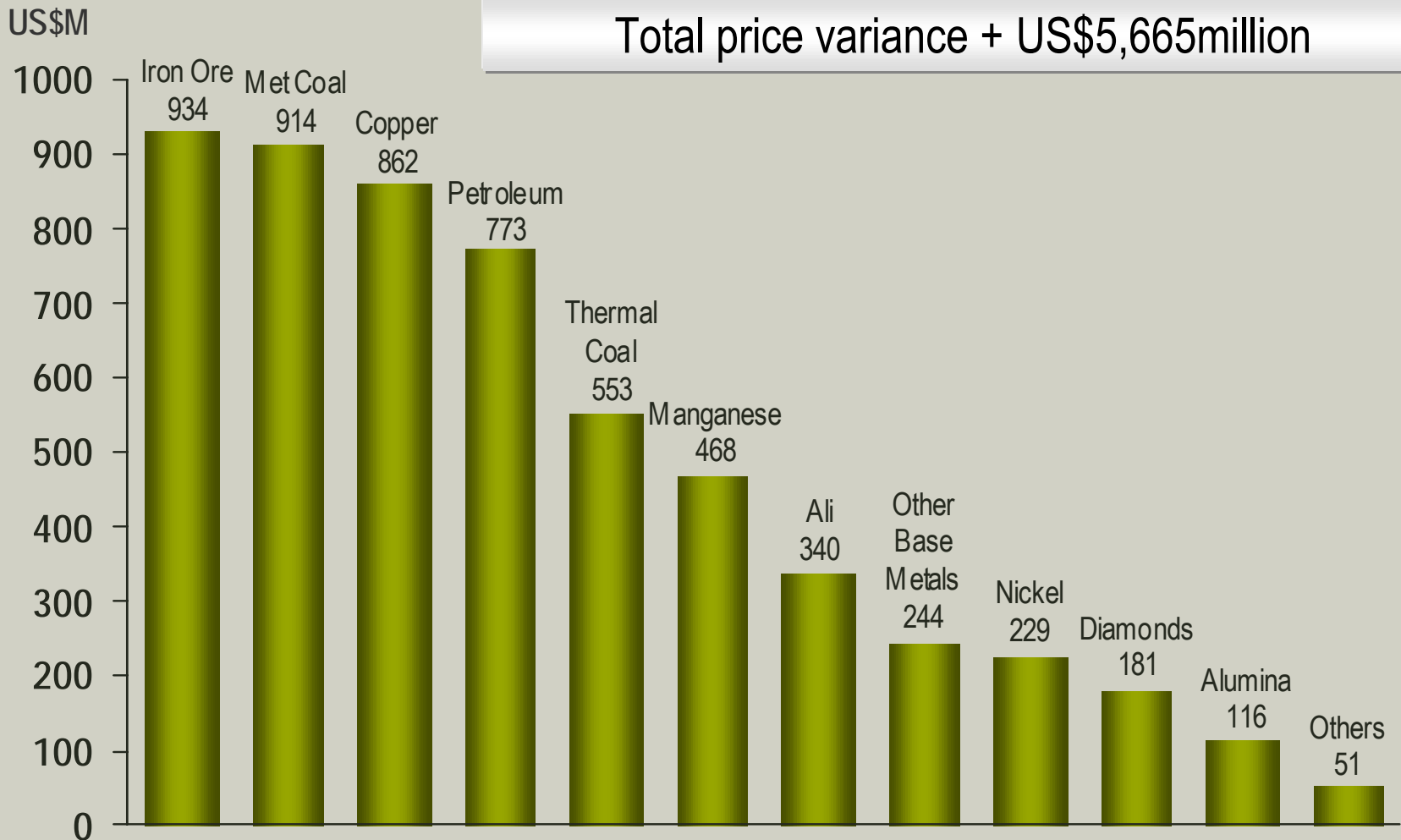
Preliminary Results

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# Impact of commodity price changes on EBIT

## Year ended June 2005 vs year ended June 2004

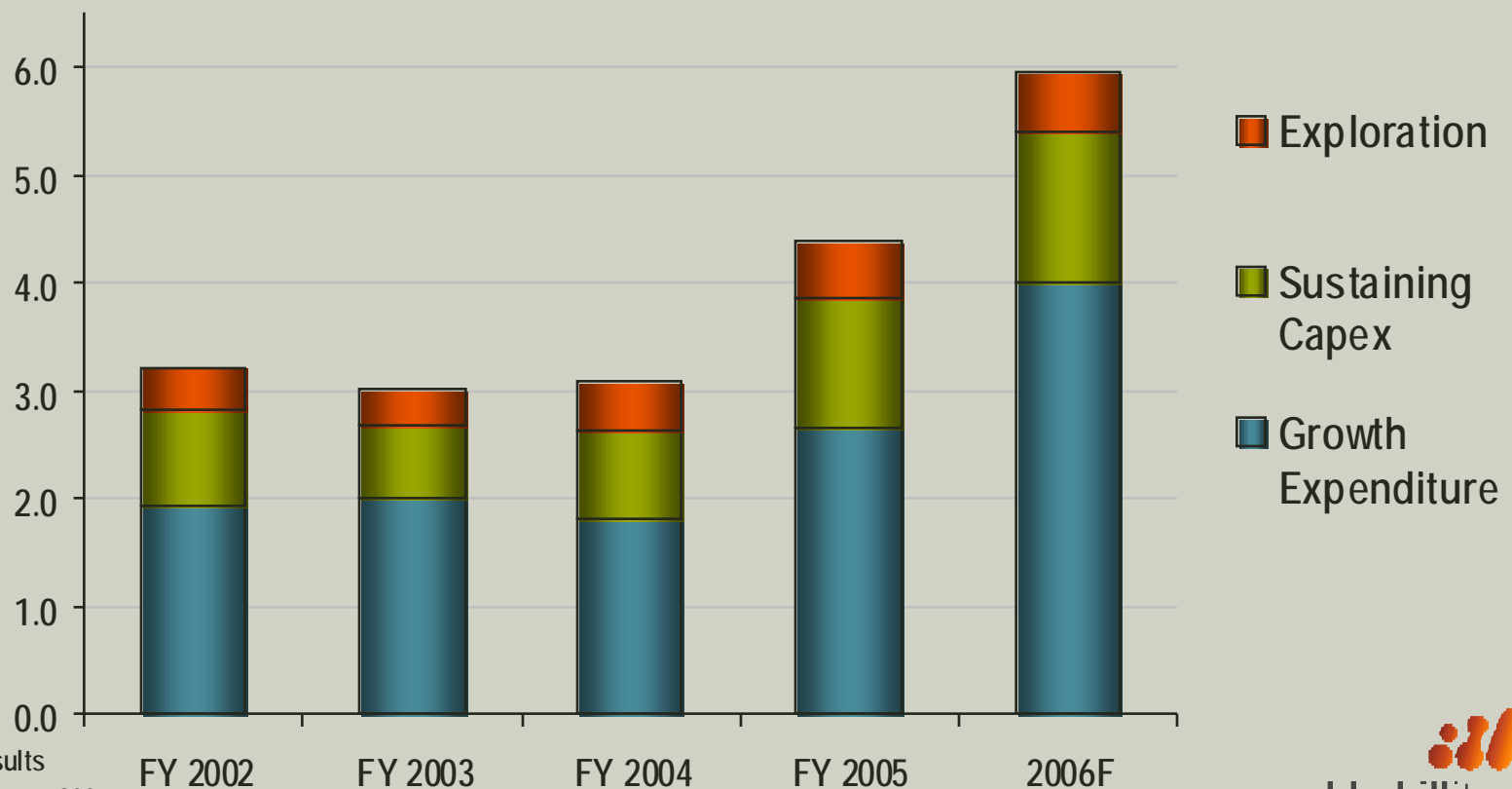


# Capital expenditure

US\$ Billion	2002	2003	2004	2005	2006F
Growth	1.9	2.0	1.8	2.6	4.0
Sustaining	0.9	0.7	0.8	1.2	1.4
Exploration (1)	0.4	0.3	0.5	0.5	0.6
<b>Total</b>	<b>3.2</b>	<b>3.0</b>	<b>3.1</b>	<b>4.3 (2)</b>	<b>6.0 (2)</b>

- (1) 2006 forecast is US\$390m Petroleum and US\$160m Minerals
- (2) Does not include WMC acquisition

US\$bn



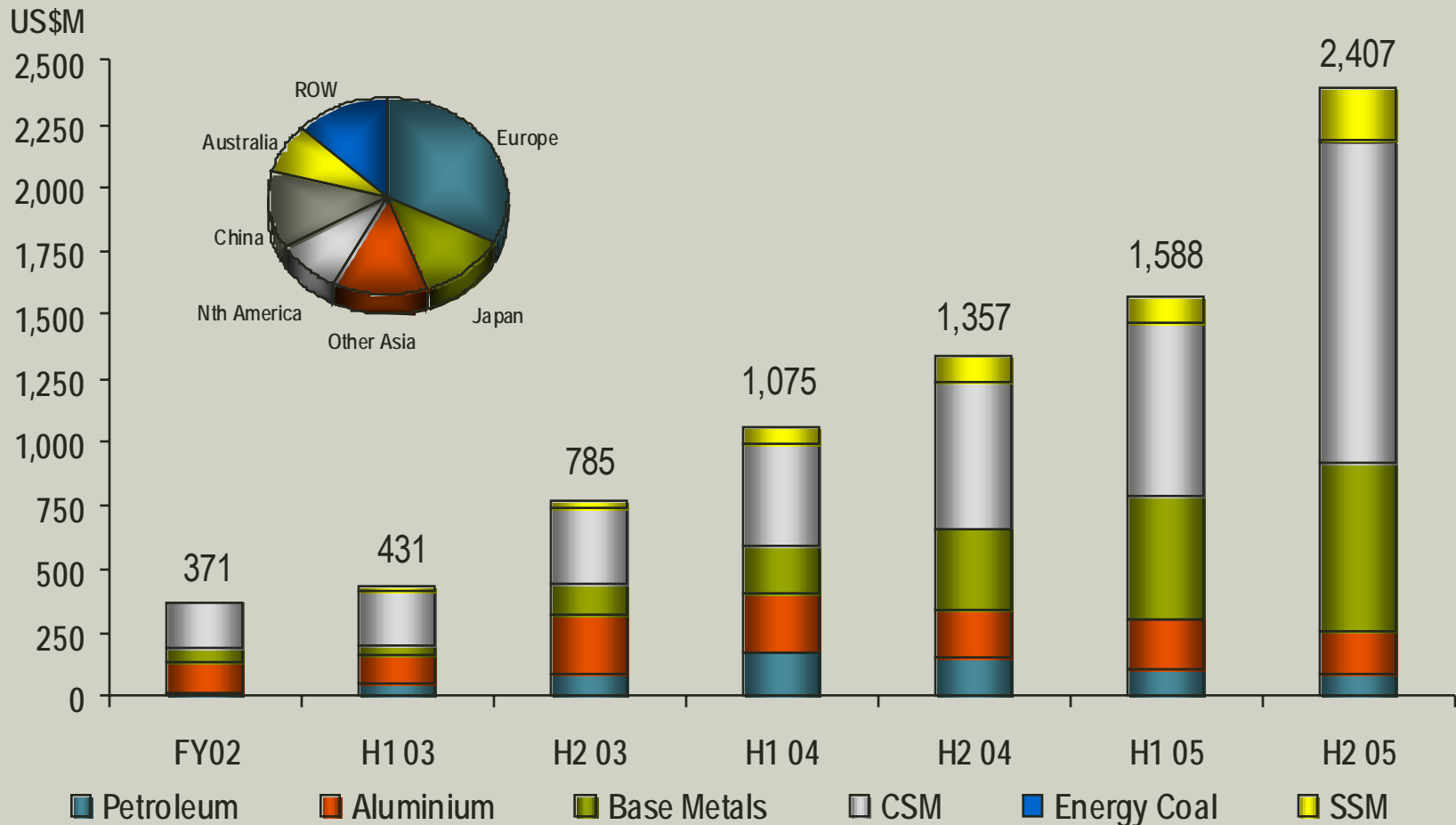
# Asset disposals since July 2001

Proceeds from sale of assets	(US\$M)
FY2005	1,035
FY2004	277
FY2003 <sup>1</sup>	2,472
FY2002	<u>845</u>
Total proceeds	<u>4,629</u>

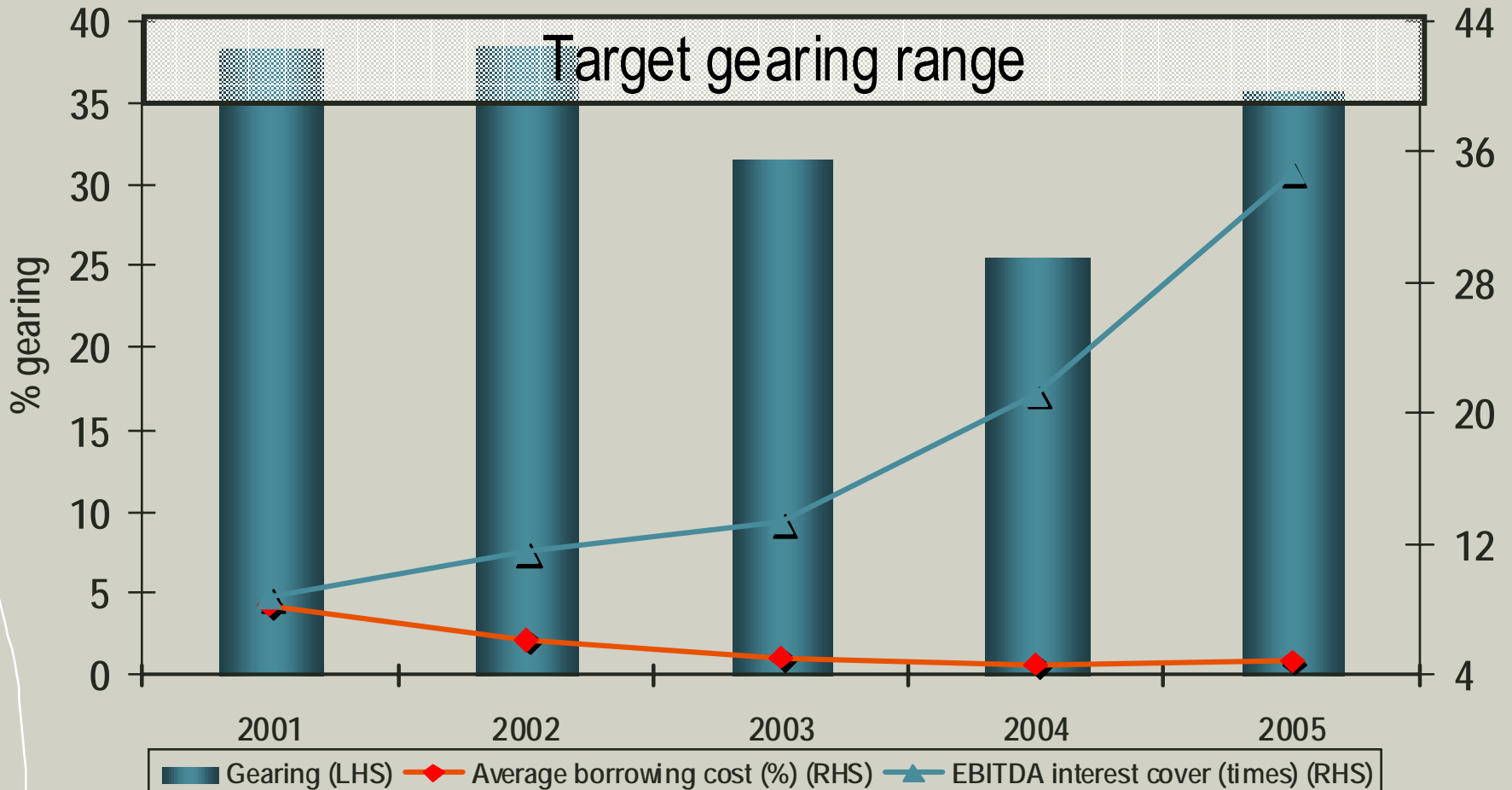
(1) Includes BHP Steel demerger and BHP Steel loans (net of cash disposed and costs)

# China

- Sales into China increasing but diversification remains
- Currently 12.6% of total company revenues, up from 9.8% in FY04



# Financial flexibility



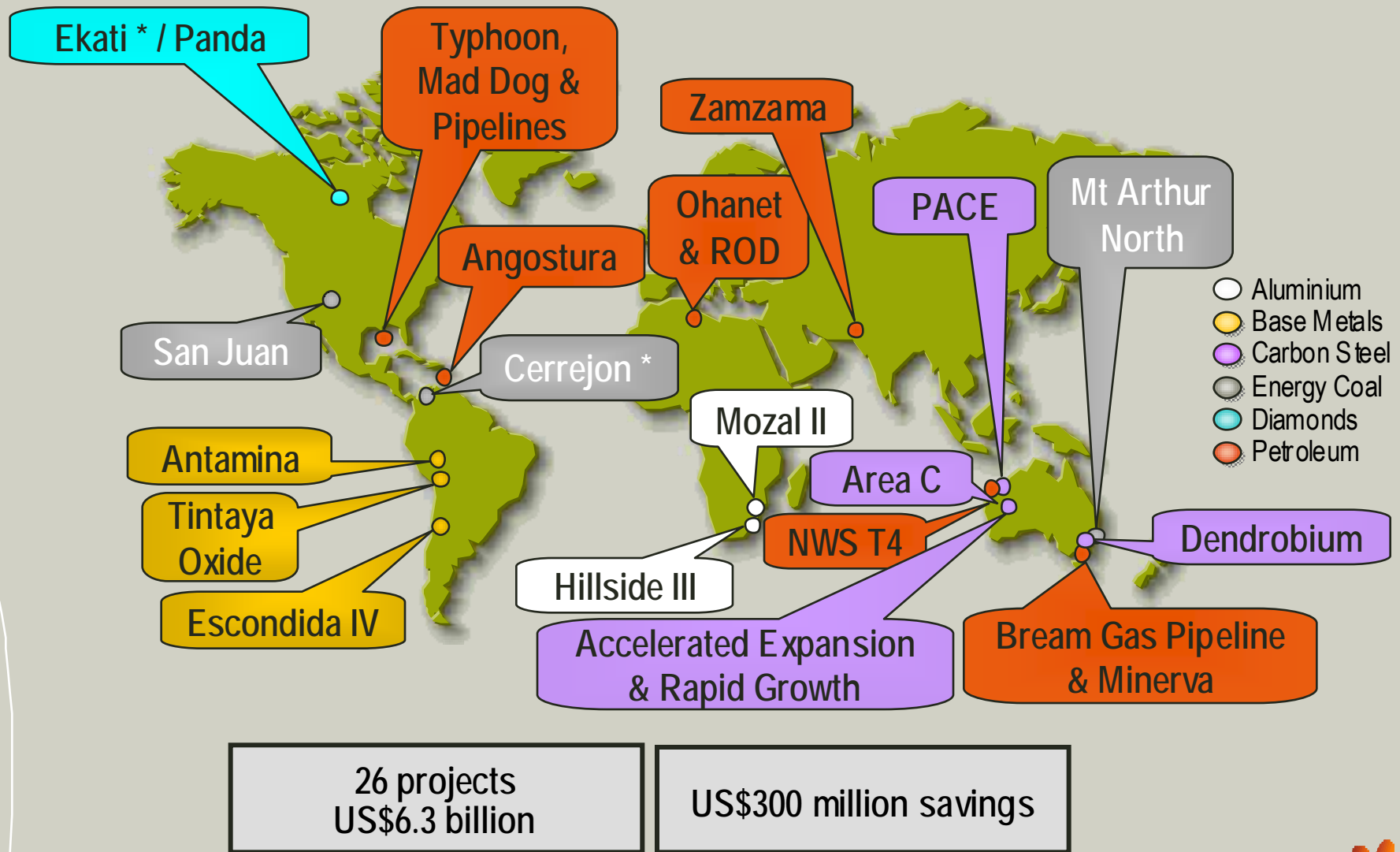
**Moody's Investment Services** A3 ————— A2 ————— A1 —————> A1  
**Standard & Poor's** A- ————— A ————— A+ —————> A+

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.

# Growth projects delivered since July 2001



# Sanctioned development projects (US\$5.75 bn)

Minerals Projects	Commodity	Share of Capex US\$M	Initial Production Target Date	Production Capacity	Progress
Paranam refinery expansion (Suriname) – 45%	Alumina	29	Q3 CY05	Increase capacity to 2.2 million tpa (100%)	On time and budget
Worsley development capital (Australia) – 86%	Alumina	165	Q1 CY06	250,000 tpa (100%)	On time and budget
Escondida Norte (Chile) – 57.5%	Copper	230	Q4 CY05	Maintain capacity at 1.25 million tpa (100%)	On time and budget
Escondida Sulphide Leach (Chile) – 57.5%	Copper	500	H2 CY06	180,000 tpa copper cathode (100%)	On time and budget
Spence (Chile) – 100%	Copper	990	Q4 CY06	200,000 tpa copper cathode	On time and budget
WA Iron Ore Rapid Growth Project 2 (Australia) – 85%	Iron ore	489	H2 CY06	Increase system capacity to 118 million tpa (100%)	On time and budget
BMA Phase 1 (Including Broadmeadow) (Australia) – 50%	Met coal	90 <sup>(1)</sup>	Mid CY05	5 million tpa clean coal (100%)	On time. On revised budget <sup>(1)</sup>
Blackwater Coal preparation plant (Australia) – 50%	Met Coal	100 <sup>(2)</sup>	H1 CY06	New coal handling and processing facility to replace the three existing plants	One quarter behind schedule. On revised budget <sup>(2)</sup>
BMA Phase 2 (Australia) – 50%	Met coal	88	H2 CY06	2 million tpa clean coal (100%)	On time and budget

# Sanctioned development projects (US\$5.75 bn) cont.

Minerals Projects cont.	Commodity	Share of Capex US\$M	Initial Production Target Date	Production Capacity	Progress
Ravensthorpe (Australia) – 100%	Nickel	1,050	Q2 CY07	Up to 50,000 tpa contained nickel in concentrate	On time. Cost review underway
Yabulu (Australia) – 100%	Nickel	350	End CY07	45,000 tpa nickel	On time. Cost review underway

Petroleum Projects	Commodity	Share of Capex US\$M	Initial Production Target Date	Production Capacity	Progress
Atlantis South (US) – 44%	Oil/gas	1,115 <sup>(1)</sup>	Q3 CY06	200,000 barrels per day and 180 million cubic feet gas per day (100%)	On time. On revised budget <sup>(1)</sup>
Neptune (USA) – 35%	Oil/Gas	300	End CY07	50,000 barrels per day and 50 million cubic feet gas per day (100%)	On time and budget
North West Shelf 5 <sup>th</sup> Train (Australia) – 16.67%	LNG	250	Late CY08	LNG processing capacity 4.2 million tpa (100%)	On time and budget

- (1) The Atlantis North development has been decoupled from Atlantis South. An additional US\$121 million was approved in the December 2004 quarter to increase capacity by 50 thousand barrels of oil per day (100%) and allow for inflationary cost pressures.



# Development projects in feasibility Minerals (US\$4.29 bn)

Project	Commodity	Estimated Share of Capex* US\$M	Forecast Initial Production*	Project Description
Alumar Refinery Expansion (Brazil) – 36%	Alumina	<400	Q1 CY08	2 million tpa (100%)
Escondida Coarse Particle Recovery (Chile) – 57.5%	Copper	95	Q3 CY07	50,000 tpa (100%)
Western Australia Iron Ore RGP 3	Iron Ore	1,300	Q2 CY08	Increase MAC capacity to 42 million tpa (100%)
Samarco (Brazil) – 50%	Iron Ore	560	H2 CY08	7 million tpa (100%)
Western Australia Iron Ore RGP 4+ (Australia) – 85%	Iron Ore	1,400	H1 CY10	Increase system capacity to 152 million tpa (100%)
Koala Underground (Canada) – 80%	Diamonds	125	Q1 CY08	3,000 tonnes per day ore processed (100%)
Maruwai (Indonesia) – 100%	Met Coal	405	H1 CY09	5 million tpa clean coal

# Development projects in feasibility

## Petroleum (US\$1.85 bn)

Project	Commodity	Estimated Share of Capex* US\$M	Forecast Initial Production*	Project Description
Zamzama Phase 2 (Pakistan) – 38.5%	Gas	35	Q3 CY07	150 million cubic feet gas per day per day (100%)
Atlantis North (USA) – 44%	Oil/Gas	130	Q1 CY08	Tie-back to Atlantis South
Stybarrow (Australia) – 50%	Oil/Gas	428	Q1 CY08	80,000 barrels per day (100%)
Shenzi (USA) – 44%	Oil/Gas	1,110	Mid CY08	100,000 barrels per day (100%)
North West Shelf Angel (Australia) – 16.67%	Gas	150	Q4 CY08	Production platform with gas exported via tie-back to 1 <sup>st</sup> NWS trunkline

# Development projects commissioned since July 2001

Project	Our Share of Capex		Initial Production Date	
	Budget US\$M	Actual US\$M	Budget US\$M	Actual US\$M
Antamina (Peru) – 33.75%	775	752	Q2 CY01	Q2 CY01
Typhoon (USA) – 50%	128	114	Q3 CY01	Q3 CY01
Tintaya Oxide (Peru) – 99.9%	138	120	Q2 CY02	Q2 CY02
Escondida Phase IV (Chile) – 57.5%	600	543	Q3 CY02	Q3 CY02
San Juan Underground (USA) – 100%	146	143	Q3 CY02	Q3 CY02
Bream Gas Pipeline (Australia) – 50%	50	34	Q2 CY03	Q4 CY02
Mozal 2 (Mozambique) – 47.1%	405	311	Q4 CY03	Q2 CY03

# Development projects commissioned since July 2001 cont.

Project	Our Share of Capex		Initial Production Date	
	Budget US\$M	Actual US\$M	Budget US\$M	Actual US\$M
Zamzama (Pakistan) – 38.5%	40	40	Q3 CY03	Q2 CY03
Area C (Australia) – 85%	181	171	Q4 CY03	Q3 CY03
Mt Arthur North (Australia) – 100%	411	380	Q4 CY03	Q4 CY03
Hillside 3 (South Africa) – 100%	449	411	Q2 CY04	Q4 CY03
Ohanet (Algeria) – 45%	464	464	Q4 CY03	Q4 CY03
Cerrejon Zona Norte (Colombia) – 33.3%	50	33	Q1 CY04	Q1 CY04
Products & Capacity Expansion (Australia) – 85%	299	266	Q2 CY04	Q1 CY04

# Development projects commissioned since July 2001 cont.

Project	Our Share of Capex		Initial Production Date	
	Budget US\$M	Actual US\$M	Budget US\$M	Actual US\$M
WA Iron Ore accelerated expansion (Australia) – 85%	83	80	Q2 CY04	Q2 CY04
NWS Train 4 (Australia) – 16.7%	247	252	Mid CY04	Mid CY04
ROD (Algeria) – 36%	192	192 <sup>(1)</sup>	Q4 CY04	Q4 CY04
GoM Pipelines Infrastructure (US) – 22/25%	132	132 <sup>(1)</sup>	Q4 CY04	Q4 CY04
WA Iron Ore Rapid Growth Project (Australia) – 85%	95	101	Q4 CY04	Q4 CY04
Mad Dog (US) – 23.9%	368 <sup>(2)</sup>	370	End CY04	Jan 2005
Minerva (Australia) – 90%	150 <sup>(3)</sup>	157	Q4 CY04	Jan 2005

(1) Actual costs finalised for reporting purposes, since last reported.

(2) Mad Dog budget was increased from US\$335m in the September 04 quarter along with a 25% increase in nameplate oil production capacity, and a 50% increase in nameplate gas processing capacity.

(3) Budgeted capex for Minerva was increased from US\$123m to US\$150m in March 04 following changes to contractual arrangements.

# Development projects commissioned since July 2001 cont.

Project	Our Share of Capex		Initial Production Date	
	Budget US\$M	Actual US\$M	Budget US\$M	Actual US\$M
Angostura (Trinidad) – 45%	327	337	End CY04	Jan 2005
Dendrobium (Australia) – 100%	200 <sup>(1)</sup>	200	Mid CY05	April 2005
Panda Underground (Canada) – 80%	146	146 <sup>(2)</sup>	Early CY05	April 2005

- (1) Increase from original budget of US\$170 million.  
 (2) Actual costs subject to finalisation.

# Impact of restatements of net monetary liabilities

Year ended June (US\$M)	2005	Impact of Restatement <sup>(1)</sup>	2004	Impact of Restatement <sup>(1)</sup>
EBIT	9,330	(100)	5,488	(60)
Net interest	(421)	(1)	(502)	(133)
Taxation expense	(2,215)	61	(1,379)	(85)
Attributable profit	<b>6,512</b>	<b>(40)</b>	<b>3,510</b>	<b>(278)</b>

Exchange rates <sup>(2)</sup>

Versus US Dollar

South African Rand

Australian Dollar



## USD functional currency policy - general level of exposure

(US\$M)	AUD	Rand	Impact
Net payables, receivables & employee provisions	(1,000)	(250)	EBIT
Resource Rent Tax provision	(350)	-	EBIT
Tax provisions	(600)	(500)	Tax
Debt	-	(50)	Interest
Total	<u>(1,950)</u>	<u>(800)</u>	P&L
Restoration & Rehab	(1,350)	(750)	Bal sheet



# Key net profit sensitivities

Approximate impact\* on FY06 net profit after tax  
of changes of: (US\$M)

US\$1/t on iron ore price	60
US\$1/bbl on oil price	40
US\$1/t on metallurgical coal price	20
USc1/lb on aluminium price	20
USc1/lb on copper price	20
US\$1/t on energy coal price	20
USc1/lb on nickel price	2

# Key net profit sensitivities

Approximate impact on FY06 net profit after tax of changes of: (US\$M)

Australian Dollar (USc1/A\$)	
Operations <sup>(1)</sup>	55
Net monetary liabilities <sup>(2)(3)</sup>	25
South African Rand (0.2 Rand/US\$)	
Operations <sup>(1)</sup>	40
Net monetary liabilities <sup>(2)(3)</sup>	25
Rand debt <sup>(2)</sup>	2

(1) Impact based on average exchange rate for the period.

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

(3) Sensitivities derived under UKGAAP.

## Preliminary results under Australian GAAP

Year ended June (US\$M)	2005	2004
Revenue from ordinary activities	31,045	23,513
Profit before tax	8,481	4,369
Profit after tax attributable to members	6,009	3,403
EPS (US cents)	98.1	54.7

# Non GAAP measures used within this presentation

## EBITDA

EBITDA is earnings before interest and tax, from continuing operations (except 2001 which includes Steel), before depreciation, amortisation and impairments of Group companies and joint ventures and associates, 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	FY2005		FY2004		FY2003		FY2002		FY2001
	H1	H2	H1	H2	H1	H2	H1	H2	FY
EBIT	4,258	5,072	2,183	3,305	1,659	1,822	1,596	1,506	3,605
Depreciation & Amortisation	954	1,162	945	1,073	876	1,006	872	1,004	1,804
EBITDA	5,212	6,234	3,128	4,378	2,535	2,828	2,468	2,510	5,409

## Earnings excluding restatement of debt and net monetary liabilities

Slide 39 refers to net profit after tax, 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	FY2005	FY2004
Net Profit after Tax	6,512	3,510
Restatement of debt and net monetary liabilities	(40)	(278)
Net Profit after Tax excluding restatements	6,552	3,788

## EBIT margin excluding third party product activities

Slide 22 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	FY2005	FY2004	FY2003	FY2002
Turnover	31,804	24,943	17,506	17,778
EBIT	9,330	5,488	3,481	3,188
EBIT margin (%)	29.3	22.0	19.9	17.9
Turnover from third party product activities	6,945	6,660	3,382	2,190
EBIT from third party product activities	114	33	51	28
Turnover excluding third party product activities	24,859	18,283	14,124	15,588
EBIT excluding third party product activities	9,216	5,455	3,430	3,160
EBIT margin excluding third party product activities (%)	37.1	29.8	24.3	20.3

# Non GAAP measures used within this presentation

## EBIT margin by Customer Sector Group excluding third party product activities

Slide 23 refers to Customer Sector Group 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 – FY2005	Petroleum	Aluminium	Base Metals	CSM	DSP	Energy Coal	SSM
Turnover	5,970	5,265	5,071	7,606	1,544	3,390	2,274
EBIT	1,830	977	2,177	2,821	417	616	758
EBIT margin (%)	30.7	18.6	42.9	37.1	27.0	18.2	33.3
Turnover from third party product activities	1,955	2,057	698	247	523	672	9
EBIT from third party product activities	14	21	(11)	14	22	54	-
Turnover excluding third party product activities	4,015	3,208	4,373	7,359	1,021	2,718	2,265
EBIT excluding third party product activities	1,816	956	2,188	2,807	395	562	758
EBIT margin excluding third party product activities (%)	45.2	29.8	50.0	38.1	38.7	20.7	33.5

US\$ million – FY2004	Petroleum	Aluminium	Base Metals	CSM	DSP	Energy Coal	SSM
Turnover	5,558	4,432	3,422	4,857	1,710	2,569	1,749
EBIT	1,391	776	1,156	1,137	410	234	571
EBIT margin (%)	25.0	17.5	33.8	23.4	24.0	9.1	32.7
Turnover from third party product activities	2,286	1,823	335	102	829	554	47
EBIT from third party product activities	(22)	11	(4)	(9)	29	21	7
Turnover excluding third party product activities	3,272	2,609	3,087	4,755	881	2,015	1,702
EBIT excluding third party product activities	1,413	765	1,160	1,146	381	213	564
EBIT margin excluding third party product activities (%)	43.2	29.3	37.6	24.1	43.3	10.6	33.1



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