

BHP Billiton

An Equation for Investors

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bhpbilliton

Superb Global Vehicle

Such Good Value

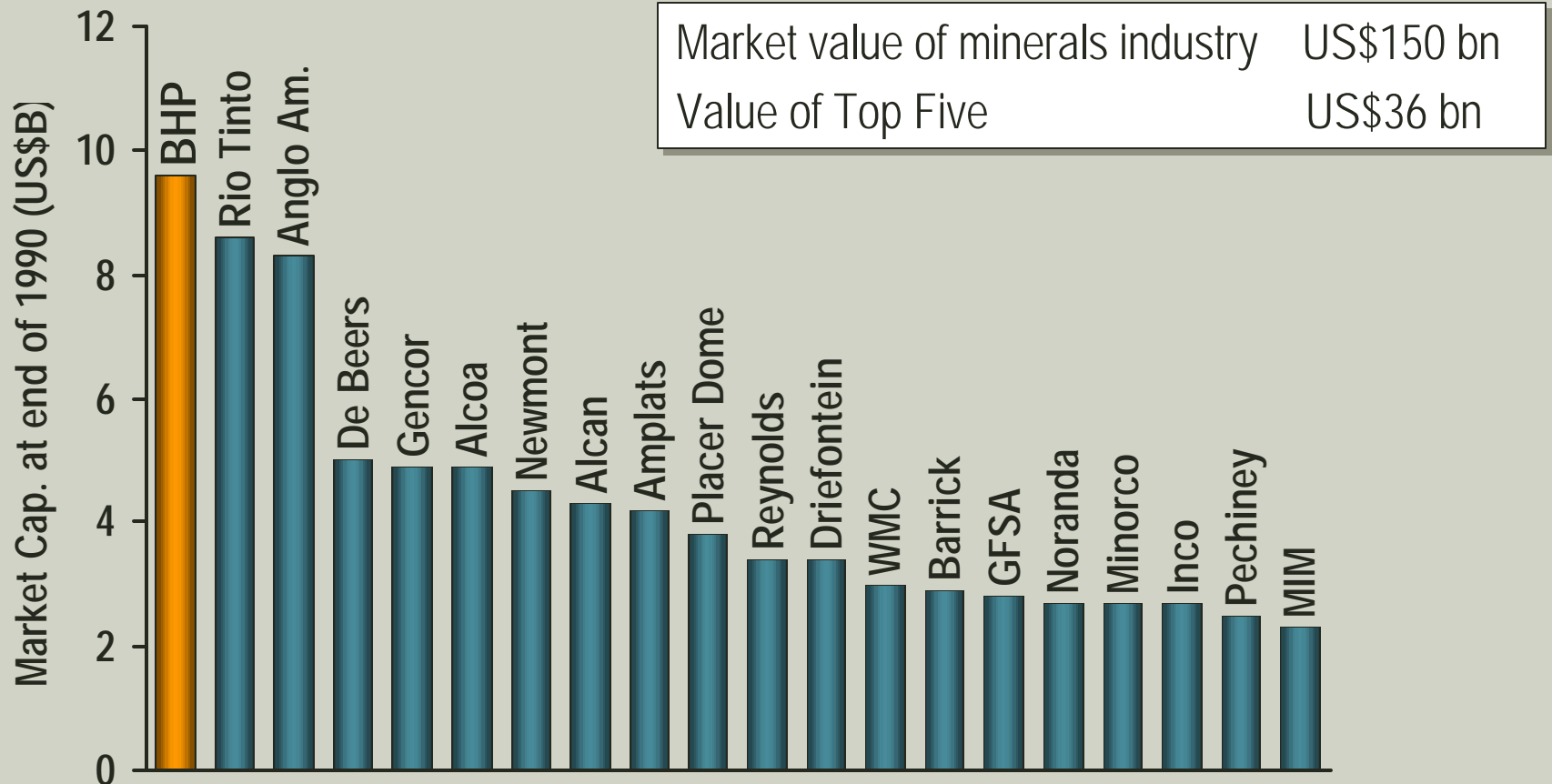
An equation for investors

$$S + G = V$$

Stability + Growth
= Value

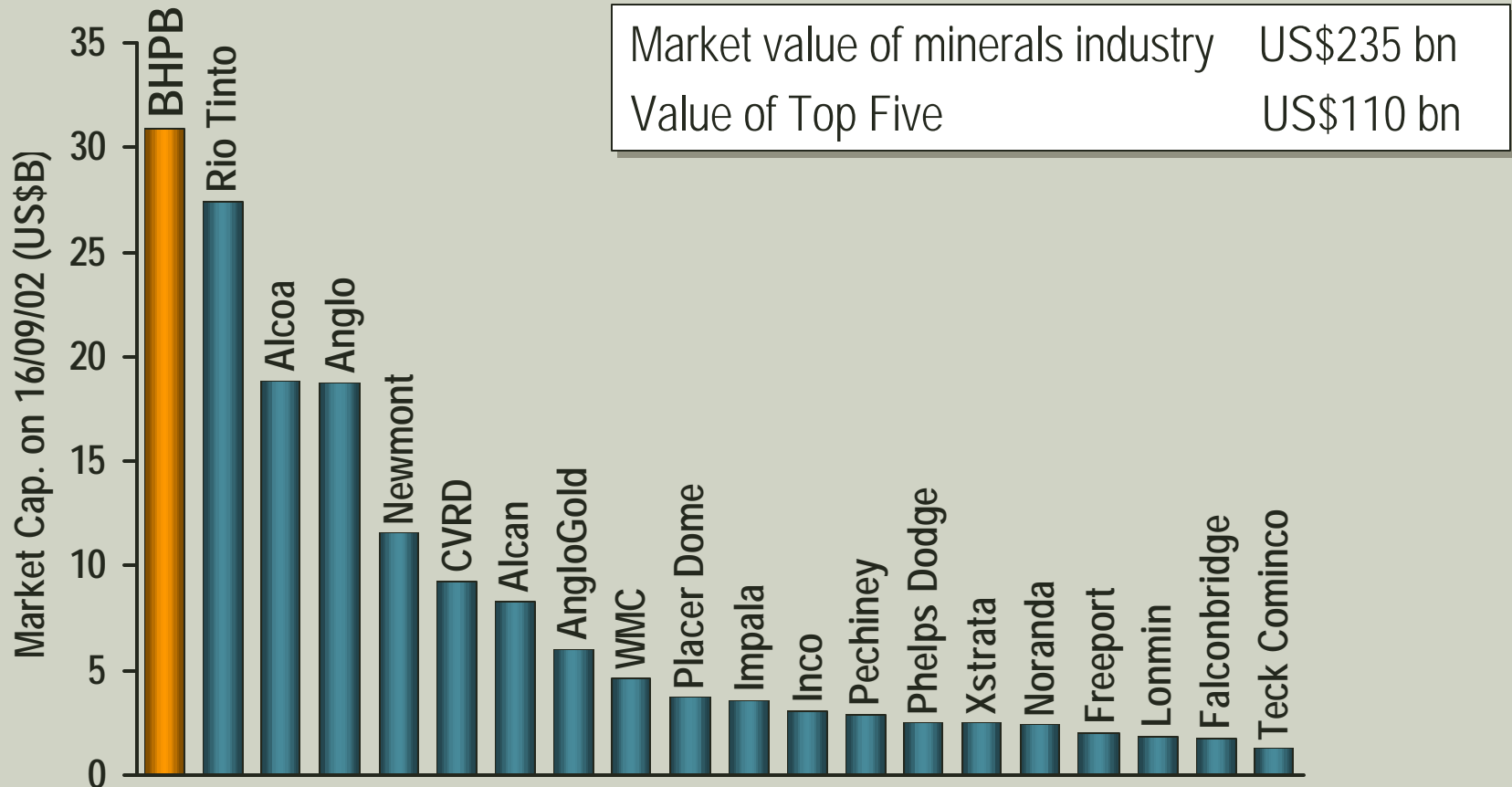
1990 – Industry structure

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



2002 - Industry structure

Top five companies account for around 50% of resource equity market value – double their share of 10 years ago



Value Drivers - What distinguishes us from the rest

I. Stability From Outstanding Assets

II. Stability From The Portfolio Effect

III. Stability & Growth From Customer-Centric Marketing

IV. Growth From Deep Inventory of Projects

V. Growth From Petroleum

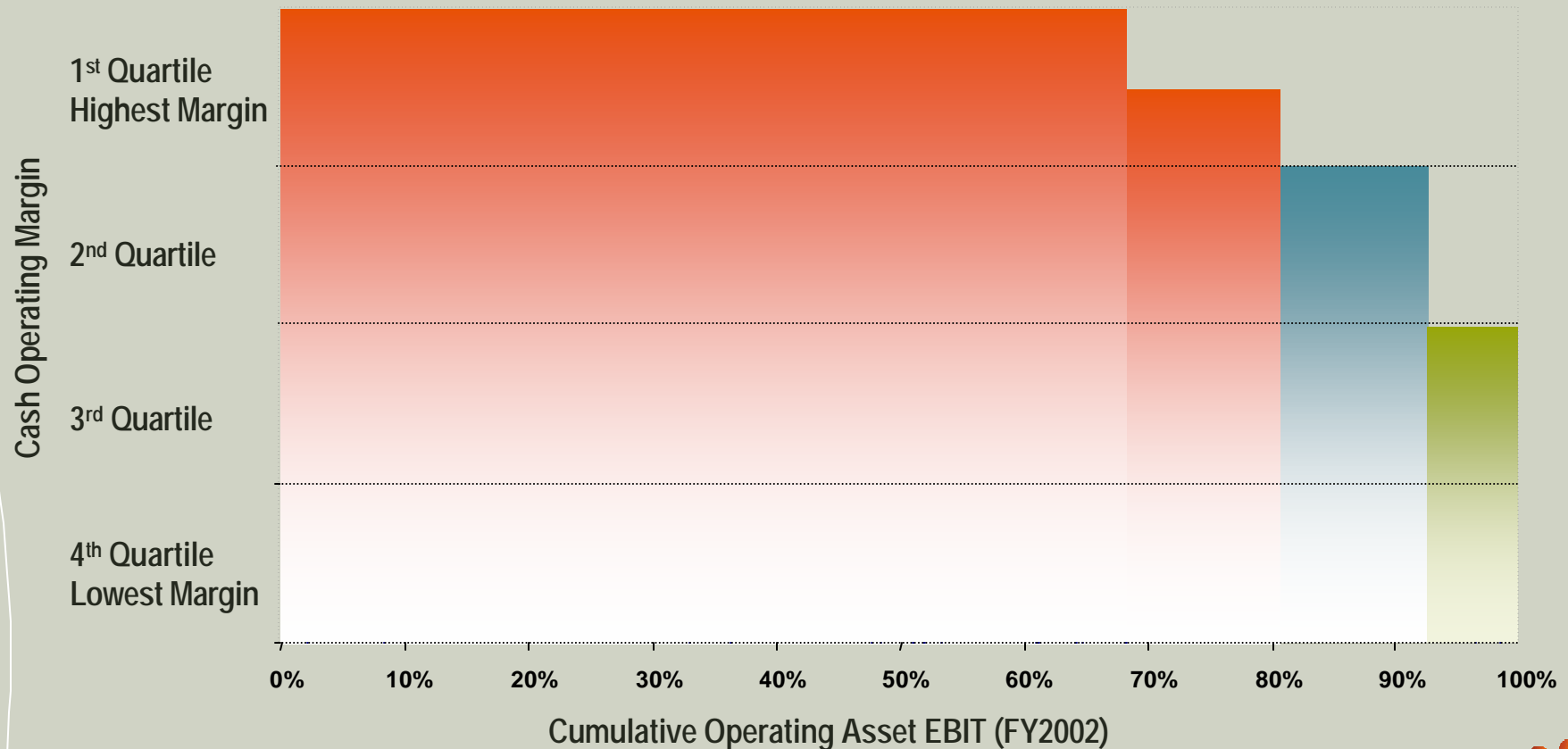
VI. Growth Through Innovation

I. Stability from Outstanding Assets

Strategic imperatives	Performance measures	FY02 performance
Zero harm	Improve HSEC statistics	Fatalities - 13
	Community - 1% of pre-tax profits	LTIFR - 2.24
	Cut operating costs by 2% pa	1.47%
Operating excellence	Return on capital >15% by 2006	Underway
		11%

Low cost, high margin asset base

c.80% of operating asset EBIT comes from first quartile cash operating margin assets



Control of costs

\$220m achieved
in FY02



2% real p.a.
FY03 - FY05



II. Stability from the Portfolio Effect

Strategic imperatives

Portfolio management

Funding and capital management

Performance measures

Credit rating of 'A' or better

Positive cashflow (pre div & funding)
EBITDA interest cover >8x

FY02 performance

S&P: A
Moody's: A3

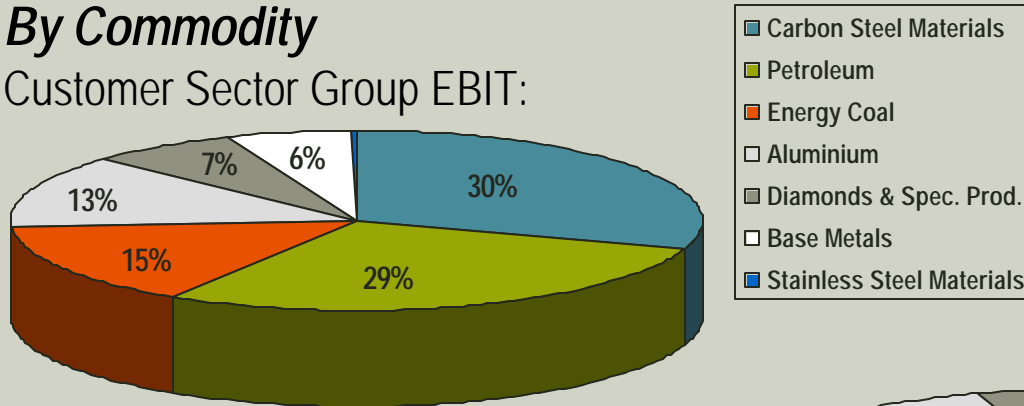
\$1.3bn

11.0x

Stability through diversification

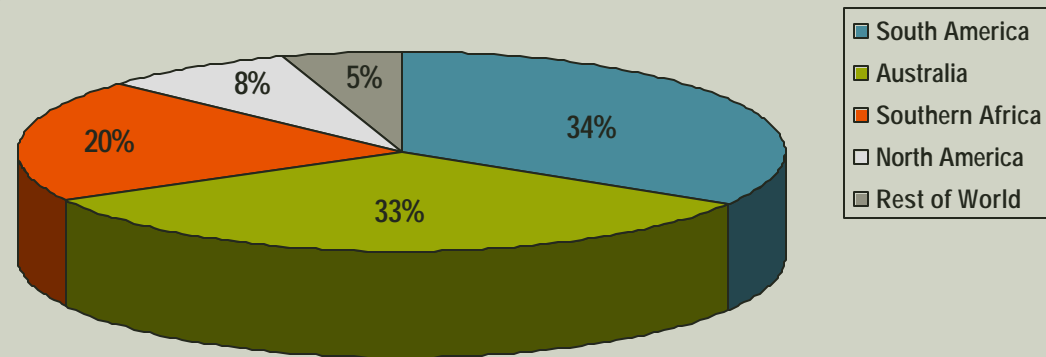
By Commodity

Customer Sector Group EBIT:



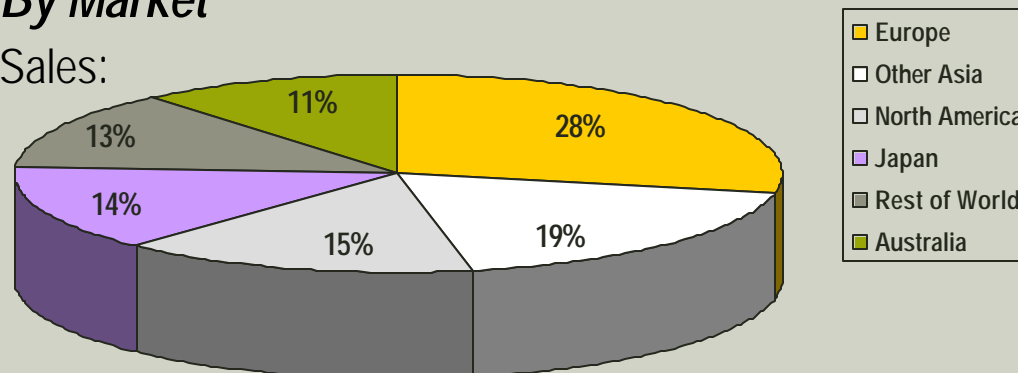
By Geography

Net Operating Assets:



By Market

Sales:



Data for FY2002 (continuing operations)

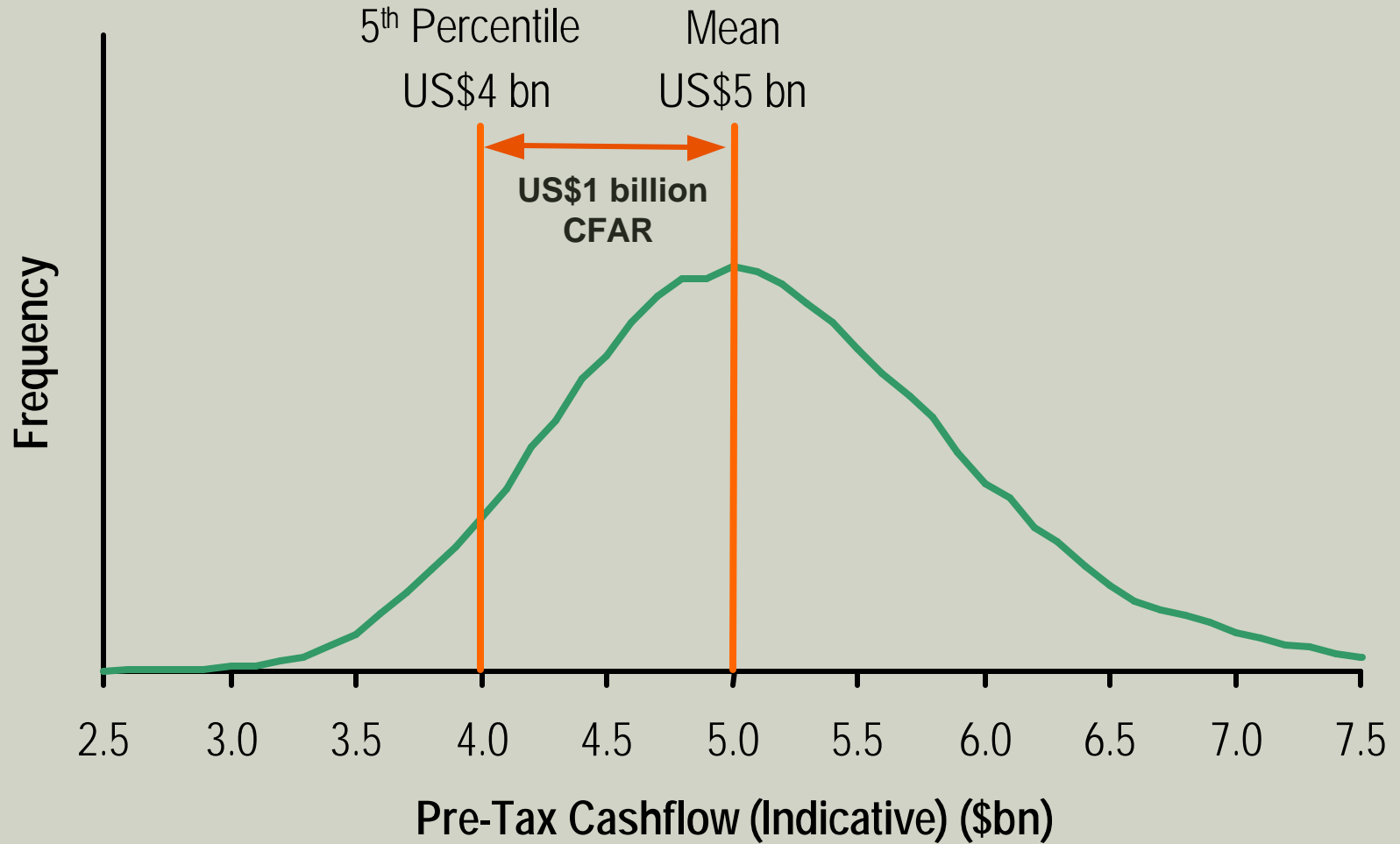
Financial stability

"...While BHP Billiton enjoyed a popular debut in the Eurobond market, other companies continued to suffer from equity market volatility..."
eFinancial News

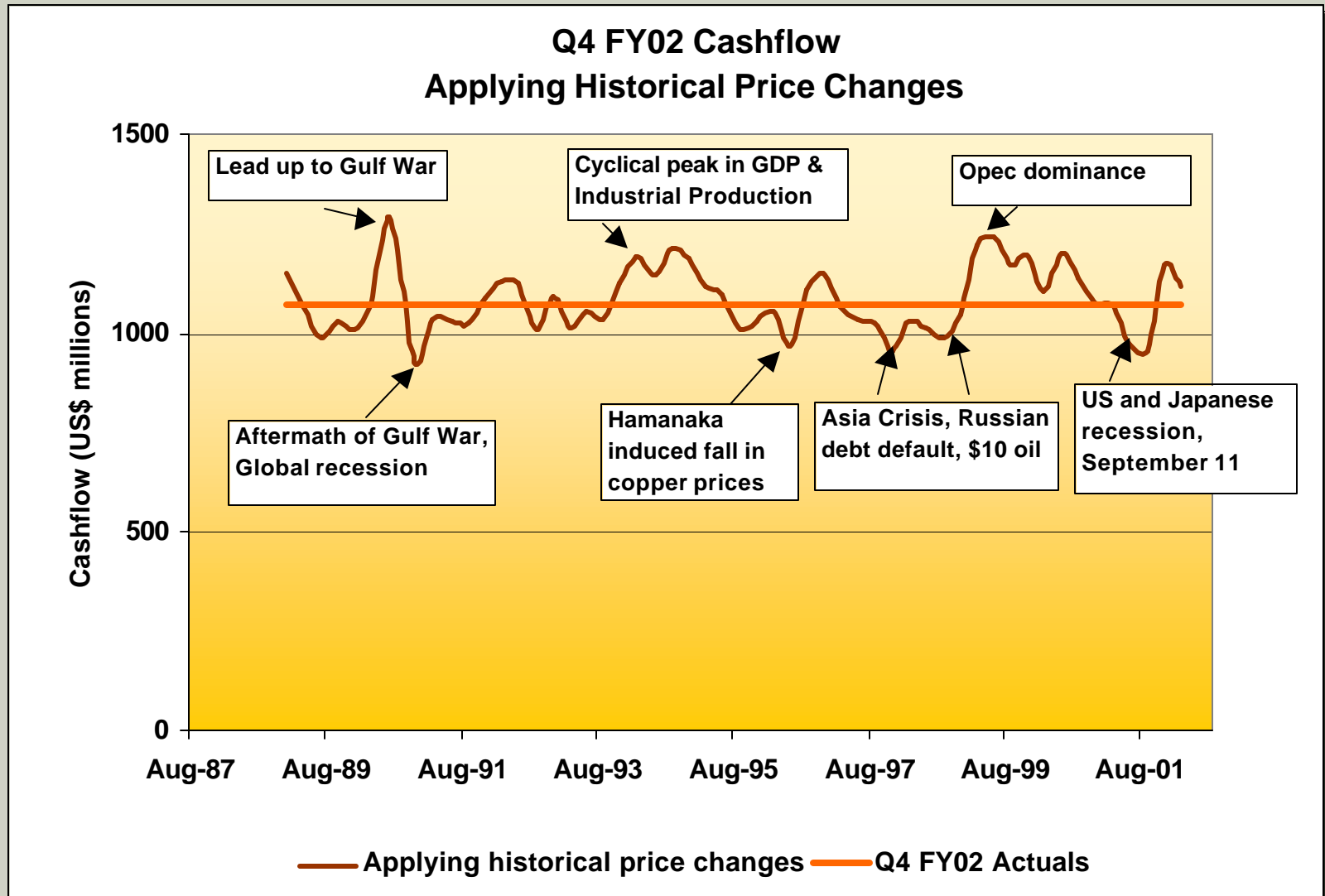
"BHP Billiton Plc successfully placed €750m in bonds with increasingly choosy European investors..."
Wall Street Journal Europe

"...The strength and transparency of BHP Billiton's credit was a key factor in the deal's success..."
BNP Paribas

Cash flow at risk



Stability of cashflow



III. Stability & Growth from Customer-Centric Marketing

Strategic imperatives

Serving customers best

Performance measures

Preferred supplier status

FY02 performance

Marketing hubs established

Customer-centric marketing

Strategy, Corporate Governance
Portfolio composition, M&A

Corporate

Centralised Marketing
Function

The
Hague

Singapore

Marketing

CUSTOMER SECTOR GROUPS – the business units

Aluminium

Base
Metals

Carbon
Steel
Materials

Diamonds
Specialty
Products

Stainless
Steel
Materials

Energy
Coal

Petroleum

IV. Growth from Deep Inventory of Projects

Strategic imperatives

Investment judgement
Project management skills

Performance measures

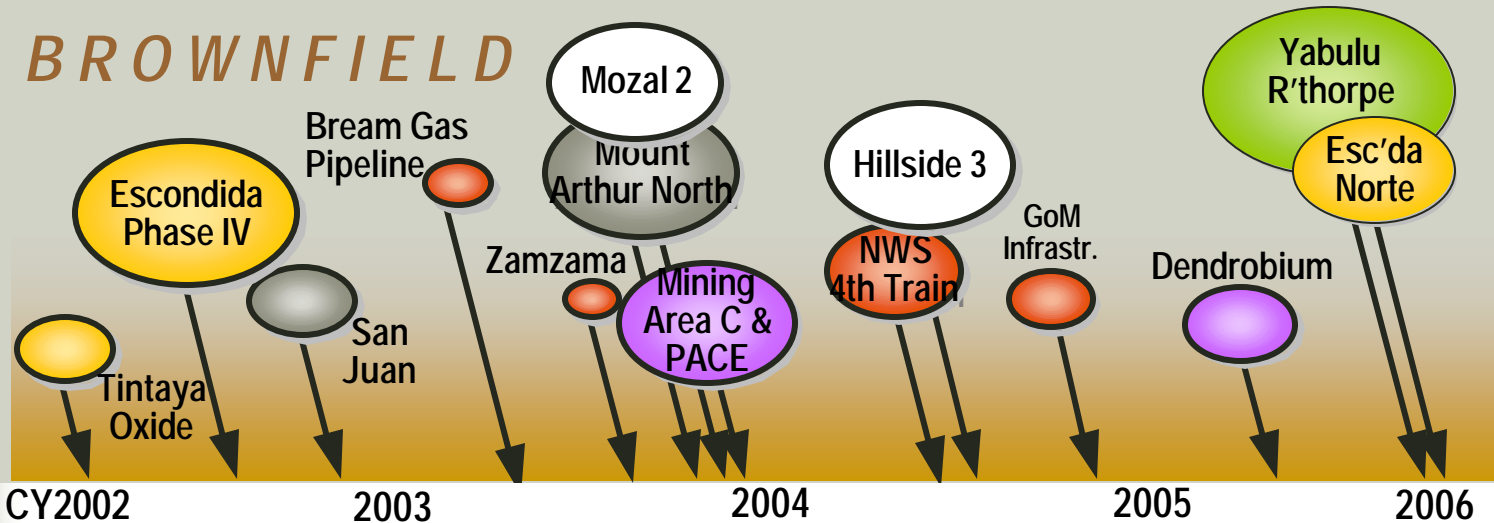
Decide/implement projects

FY02 performance

\$2.9bn in projects sanctioned

Growth from project pipeline

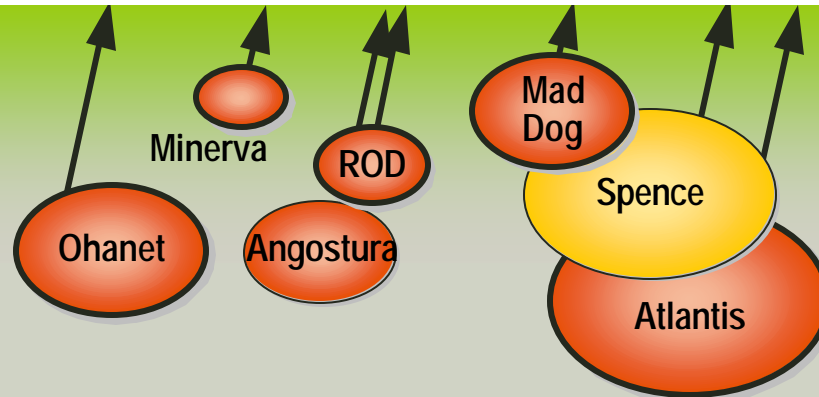
BROWNFIELD



GREENFIELD

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

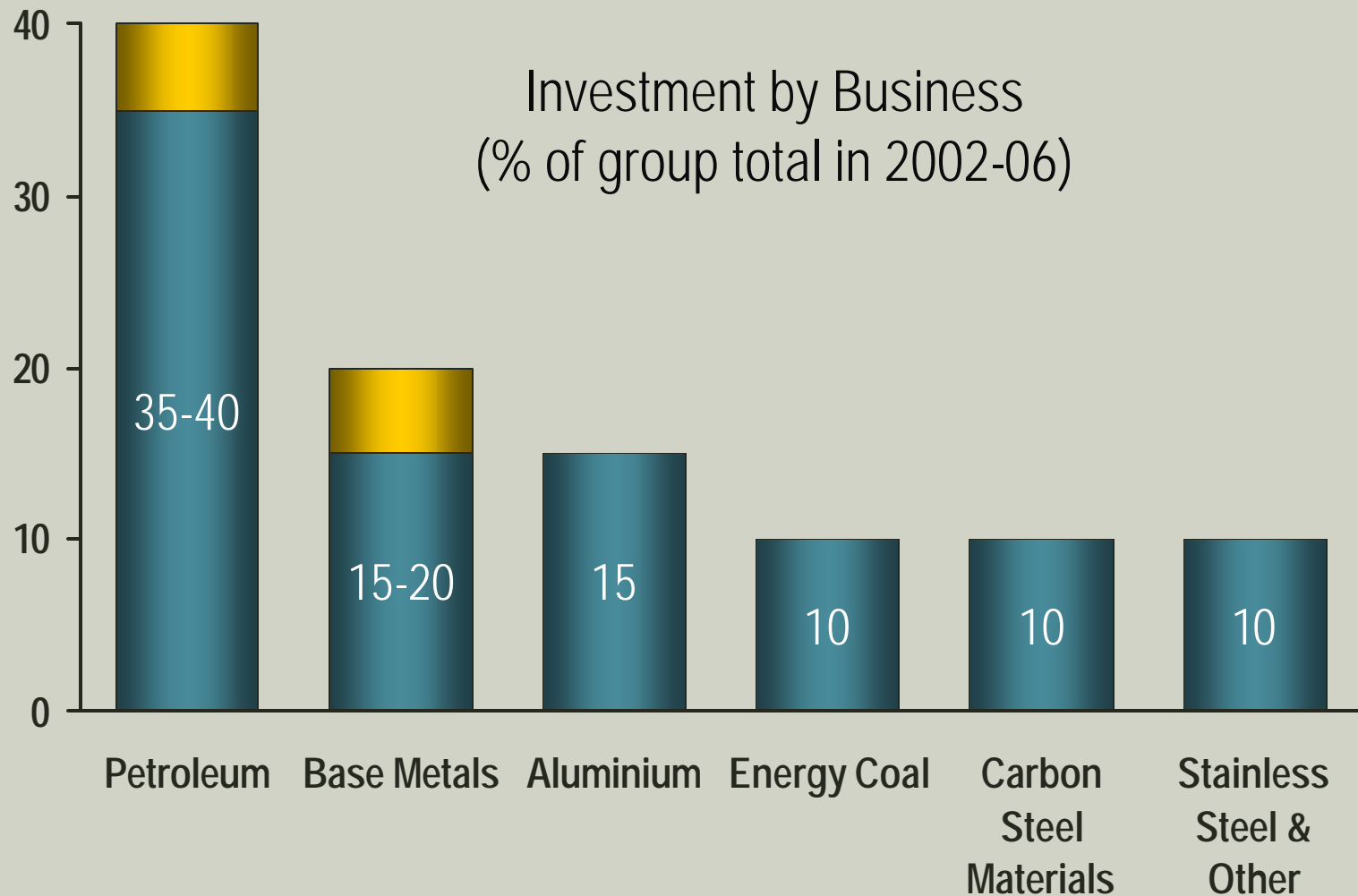
\$US 200m



Expenditure measured against alternative uses for capital - project pipeline is value enhancing

Pursuit of high value growth

...US\$10 billion in growth projects



* Indicative data only

V. Growth from Petroleum

Strategic imperatives

Value adding growth

Performance measures

Low discovery costs

Growing reserves and production

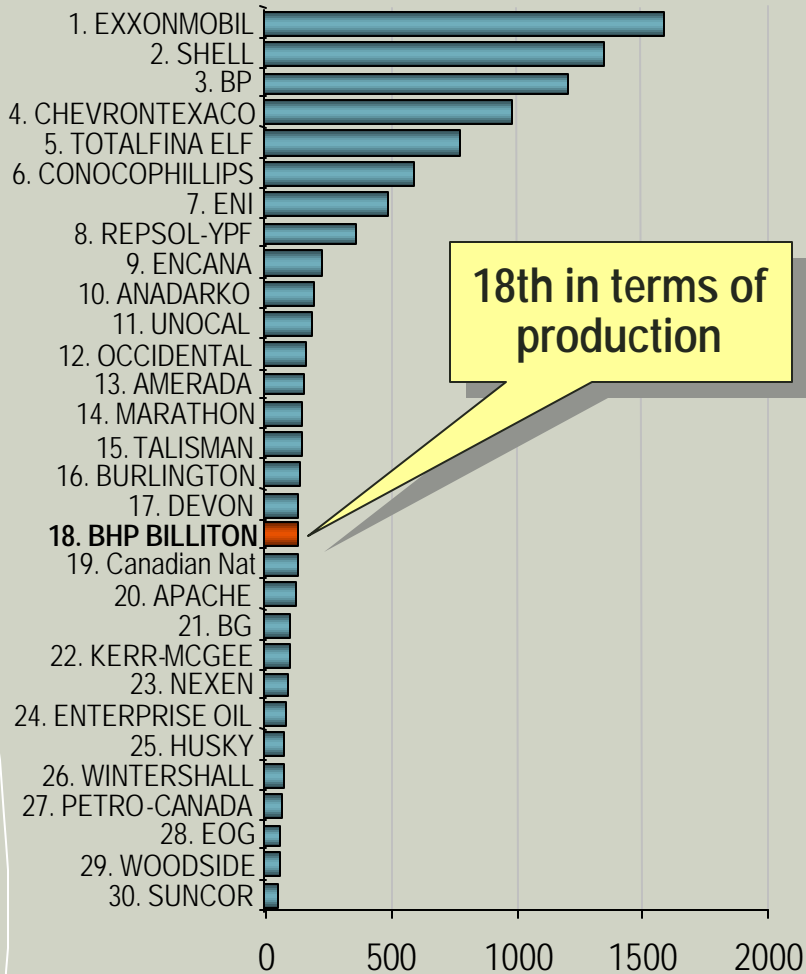
FY02 performance

F&D costs
US\$5.40/bbl

Reserve
replacement ratio
134%

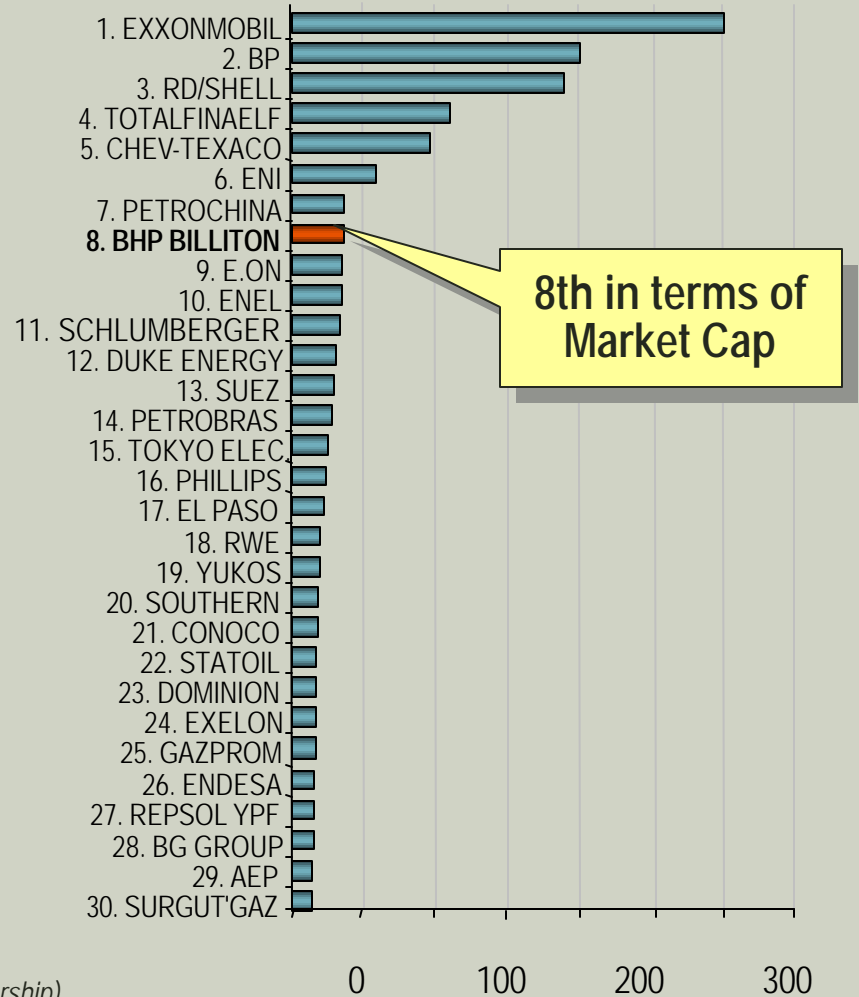
Petroleum - room for growth

Annual Production (MMboe)



18th in terms of production

Oil & Gas and Energy - Market Value (US\$M)



8th in terms of Market Cap

Source: Evaluate Energy (excludes companies with significant state ownership)

BHP Billiton based on FY 2002 data (others primarily CY 2001)

Market Values as at August 2002

VI. Growth Through Innovation

Our equation for investors

$$S + G = V$$