

BHP Billiton

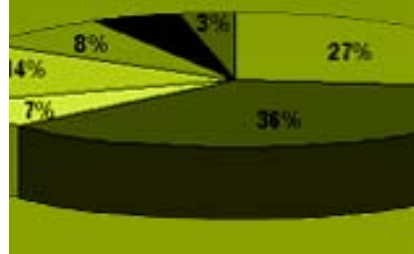
**Stability, Growth, Value –
A CFO's perspective**



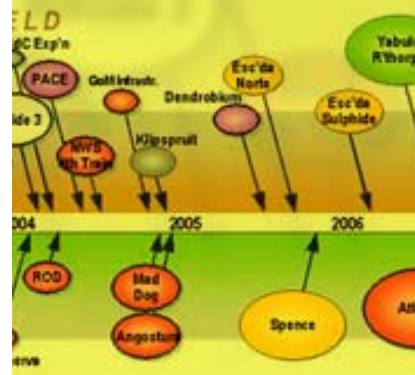


Investment Proposition

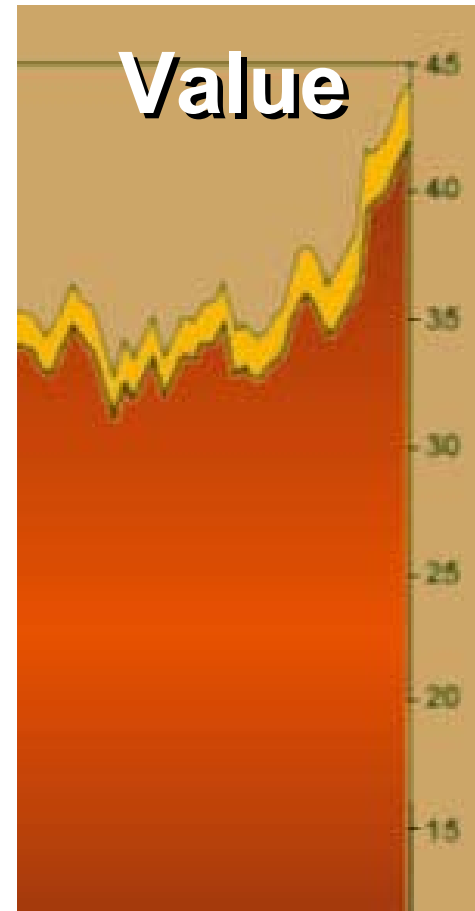
Stability



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



Cannington





Stability – from Tier 1 assets



Escondida



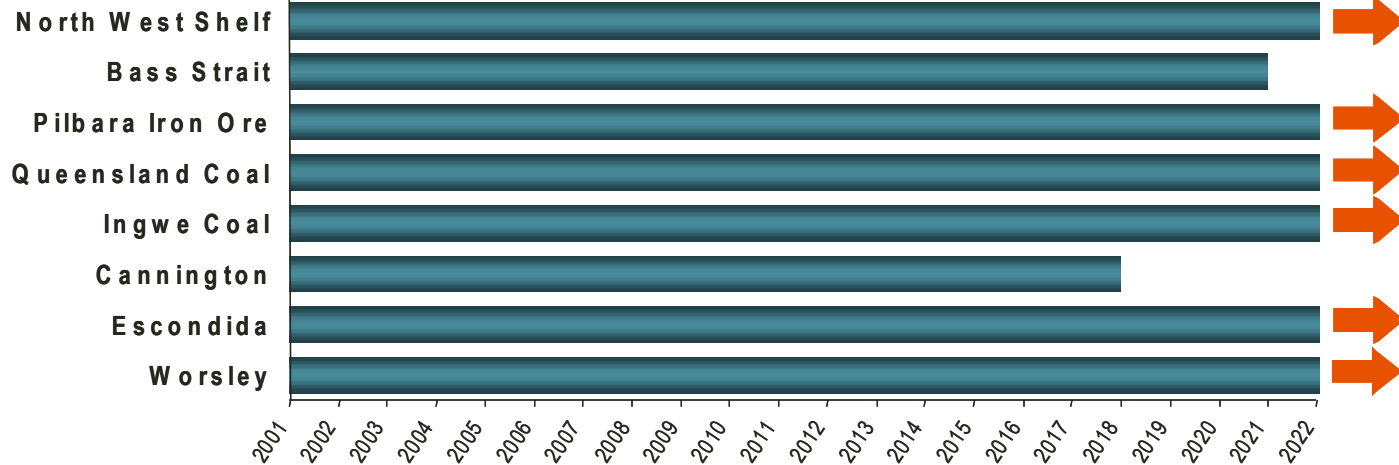
Stability – from Tier 1 assets



Worsley



Stability – from Tier 1 assets



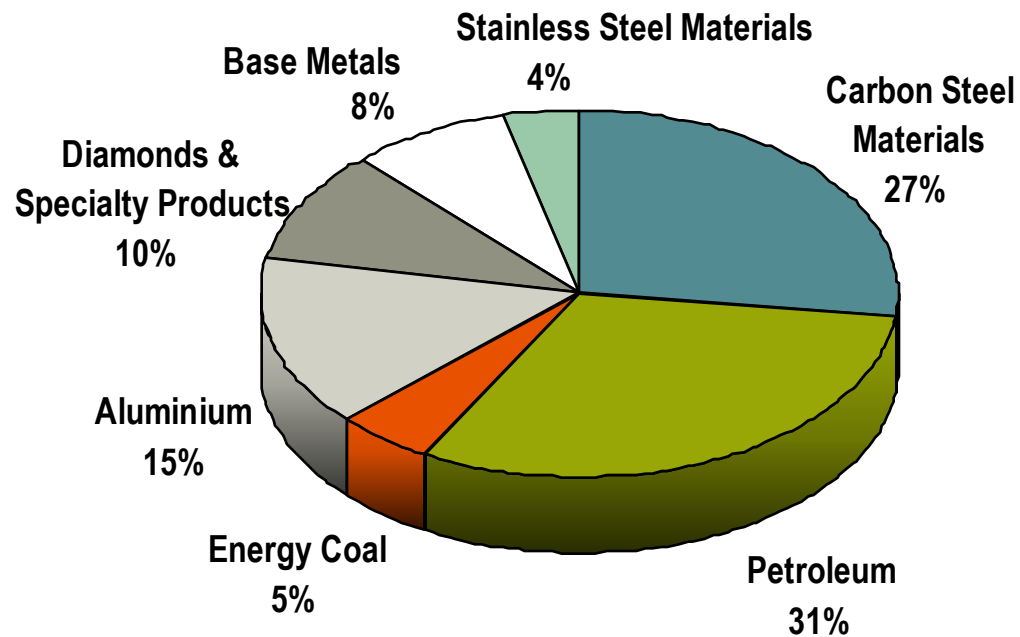
EBIT from the above assets represented 67% of EBIT in FY 2003



Stability – from the portfolio

By Commodity

Customer Sector Group EBIT:



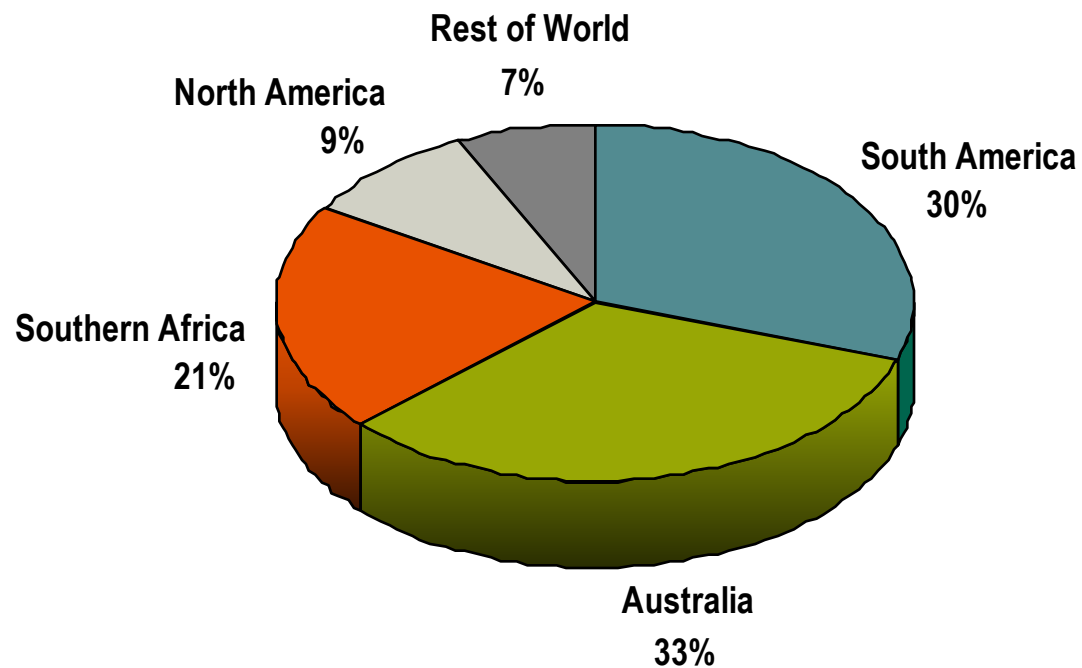
Data for year ended 30 June 2003



Stability – from the portfolio

By Geography

Net Operating Assets:



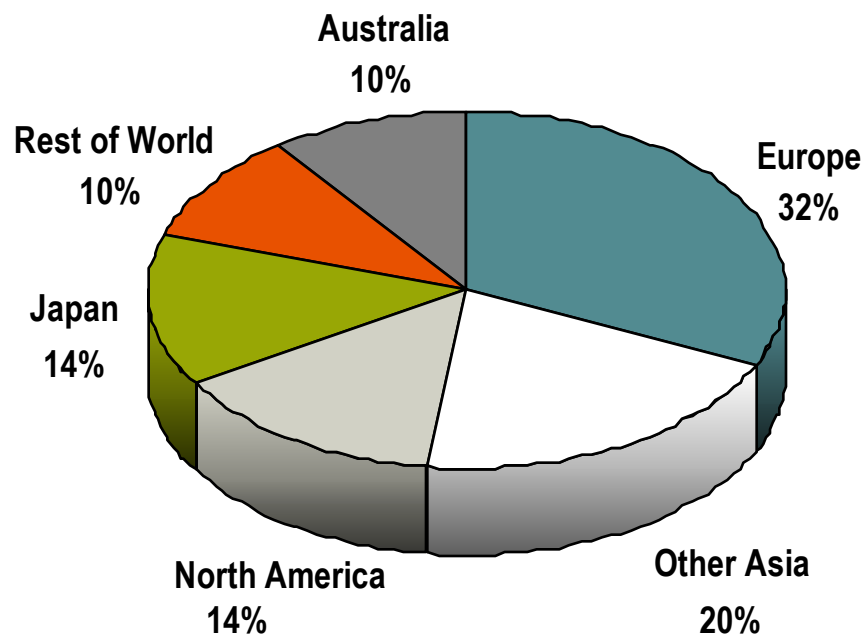
Data for year ended 30 June 2003



Stability – from the portfolio

By Market

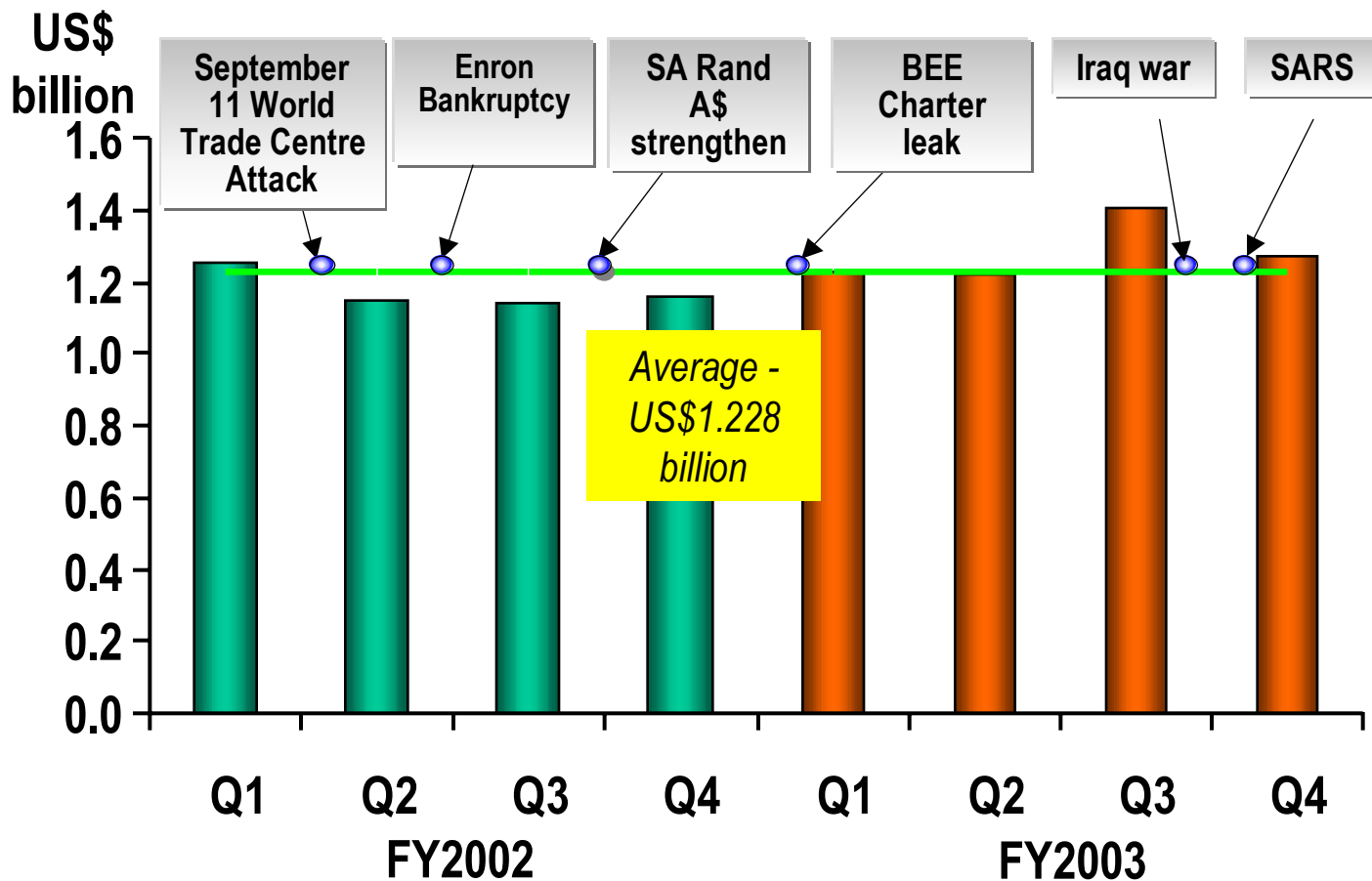
Sales:



Data for year ended 30 June 2003



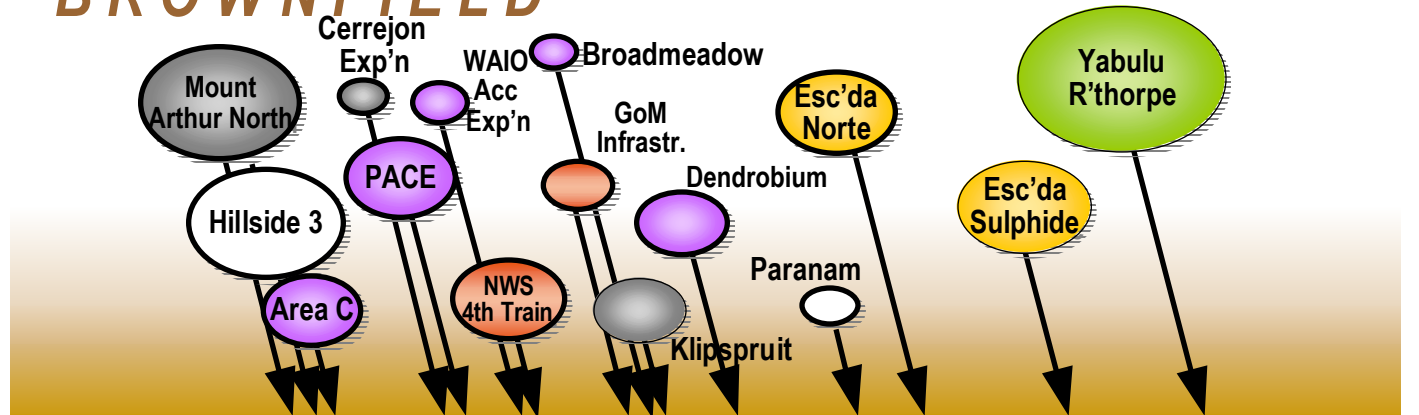
Stability – from the portfolio





Growth – from project pipeline

BROWNFIELD



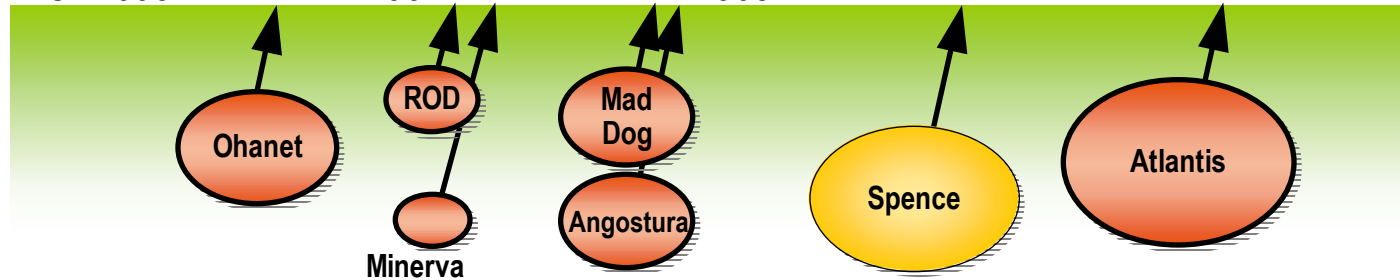
CY2003

2004

2005

2006

2007



GREENFIELD

As at 28 August 2003

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

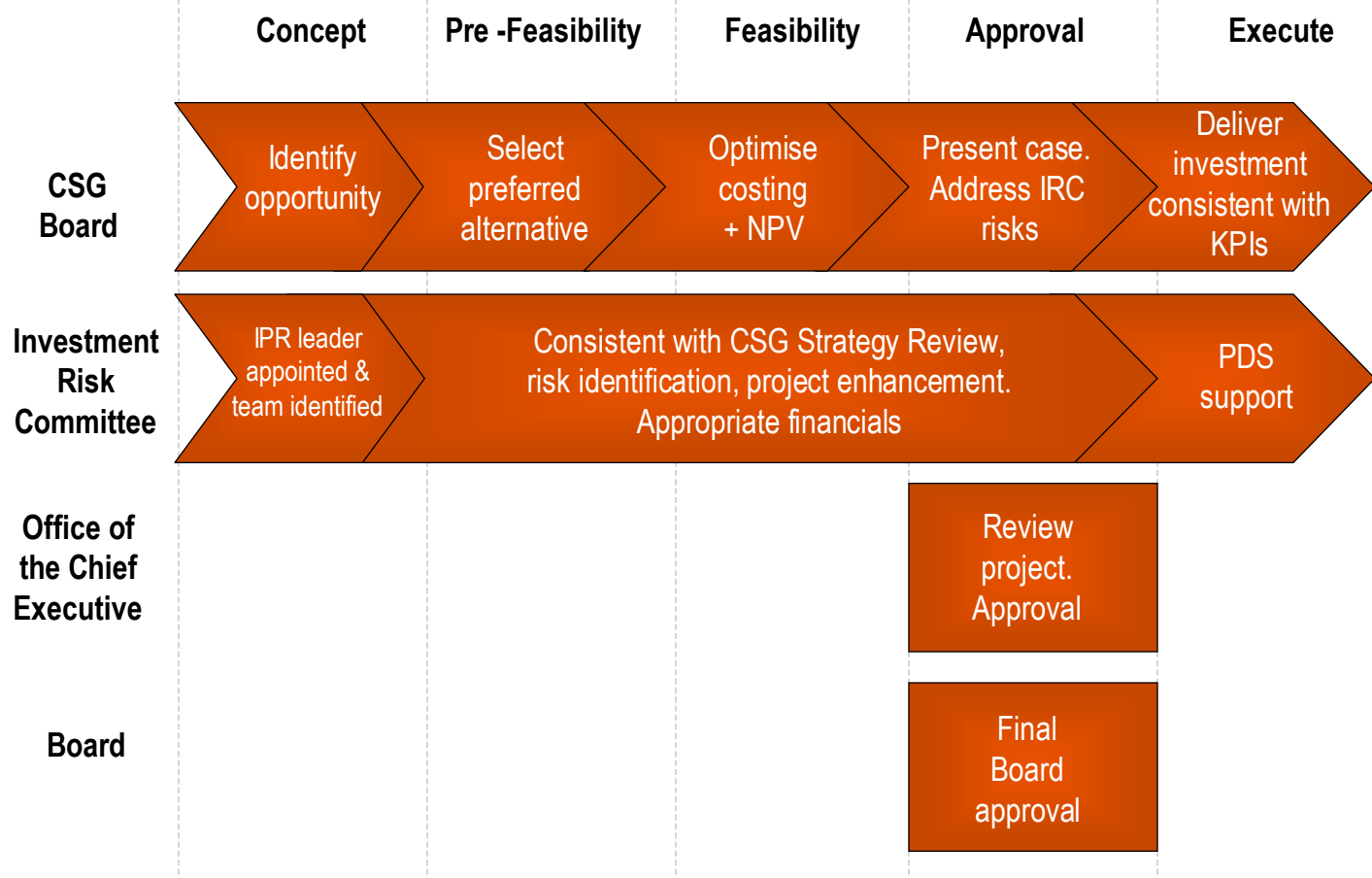
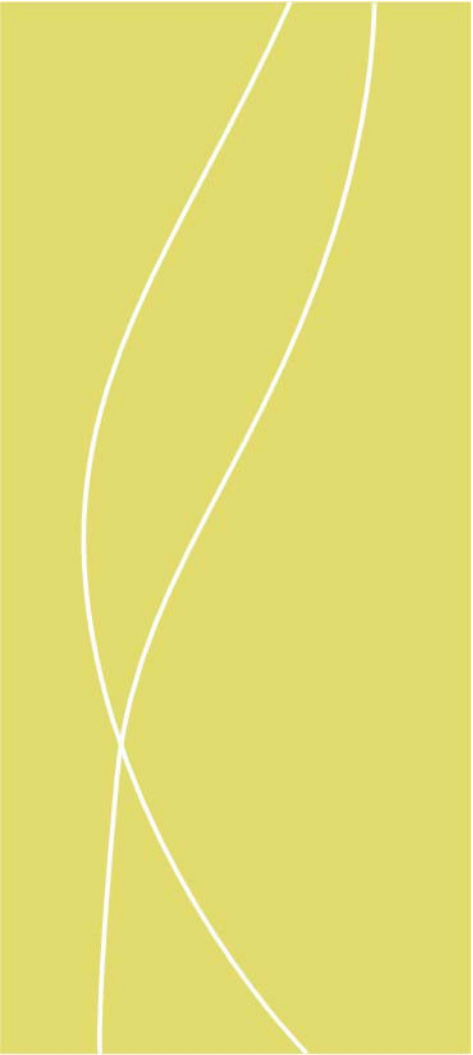


- Aluminium
- Base Metals
- Carbon Steel
- Energy Coal
- Nickel
- Petroleum





Project appraisal process



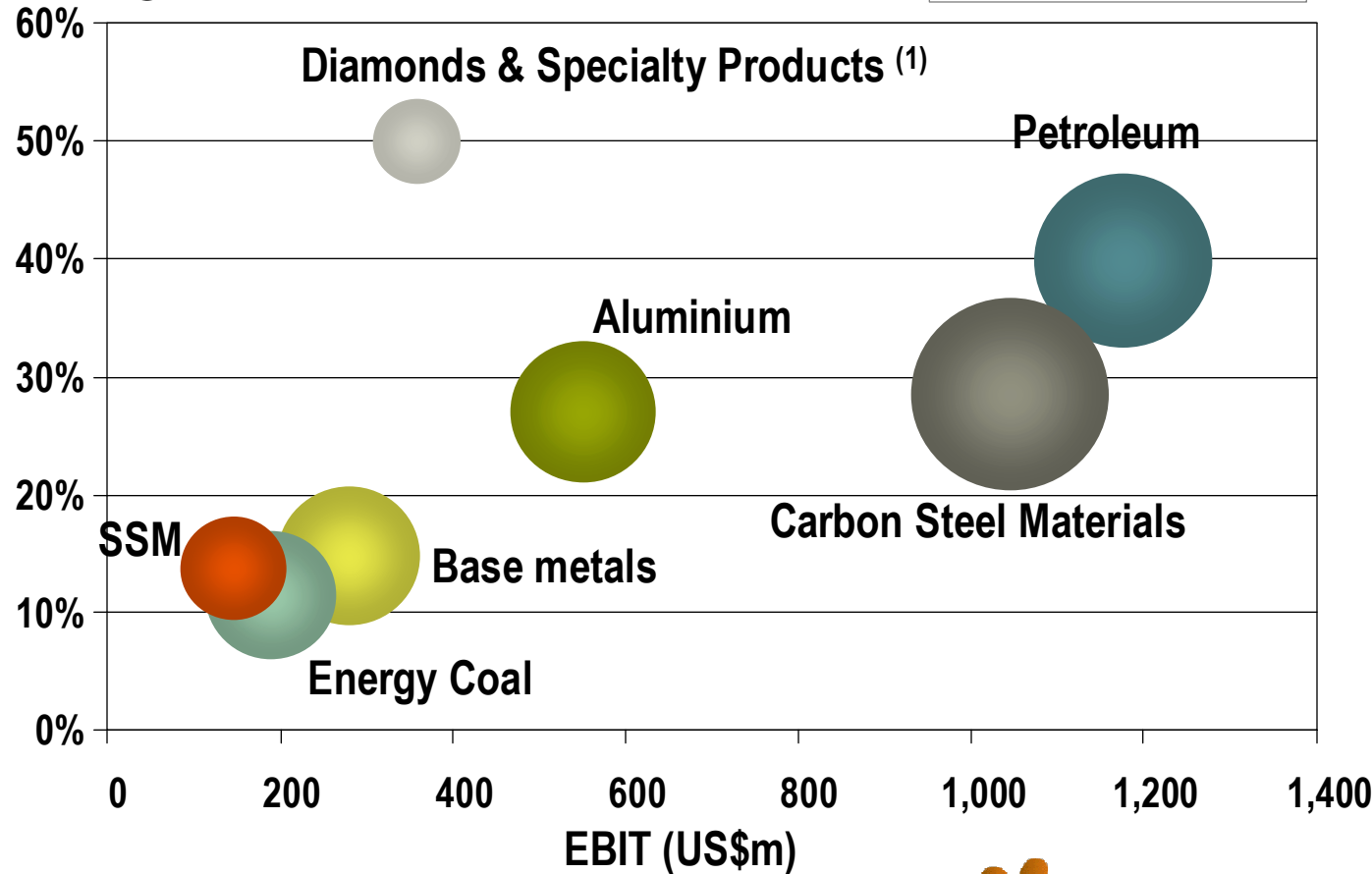


Growth – improving margins

EBIT Margin

Bubble size represents turnover

BHP Billiton 24.3%*



(1) Excluding exploration and technology

* Third party sales are excluded

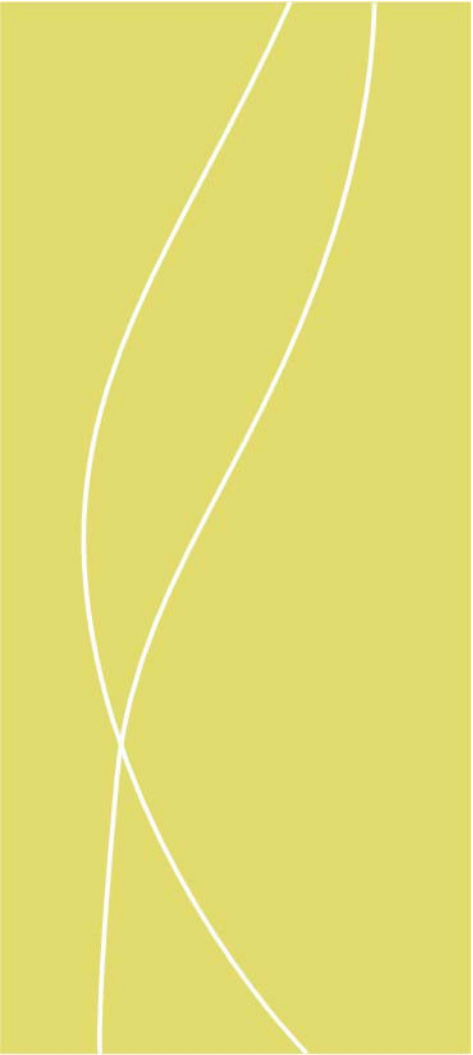


Growth – improving margins

(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



Growth – improving margins





Creating value

Projects



Cost Savings

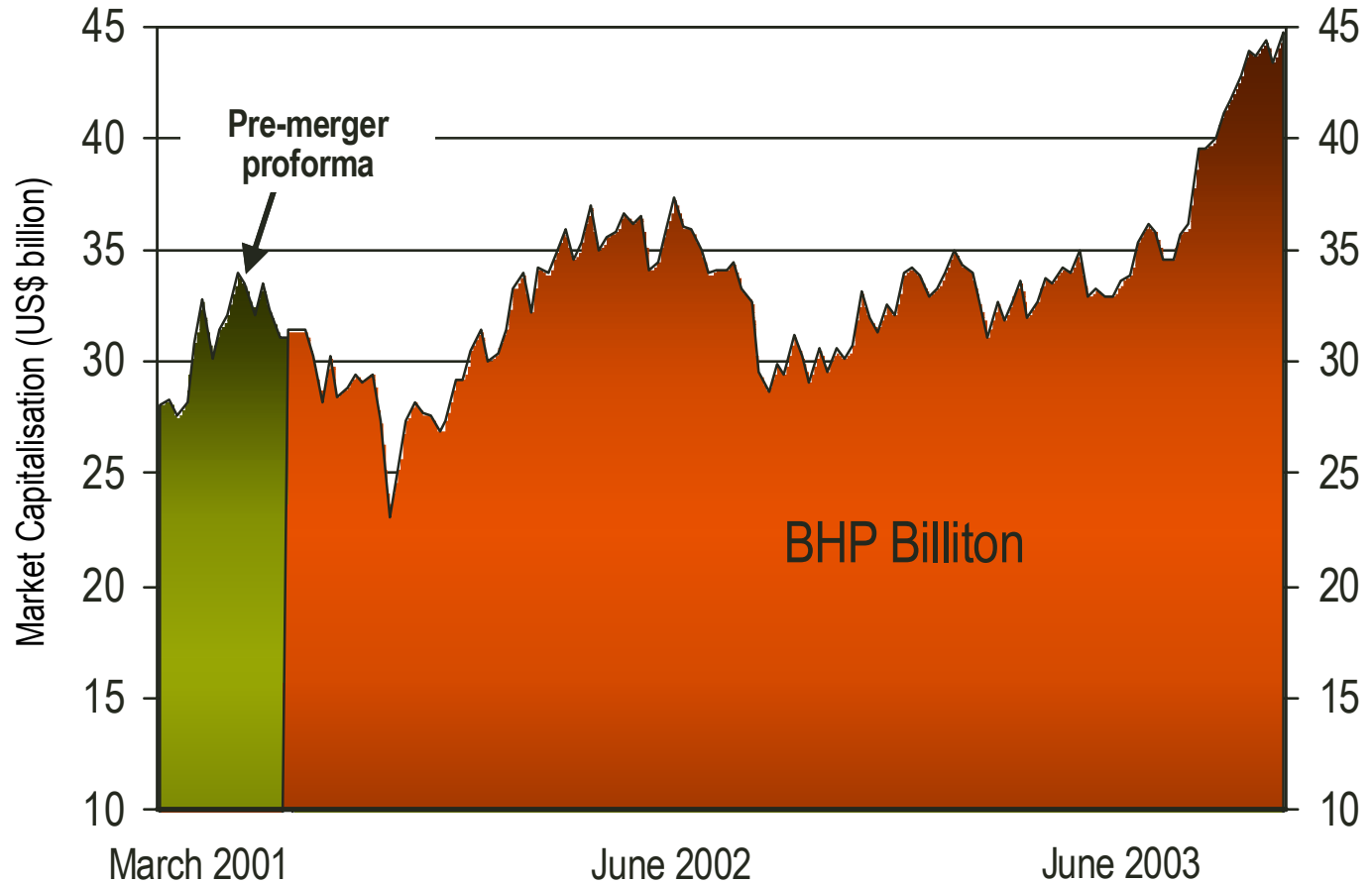
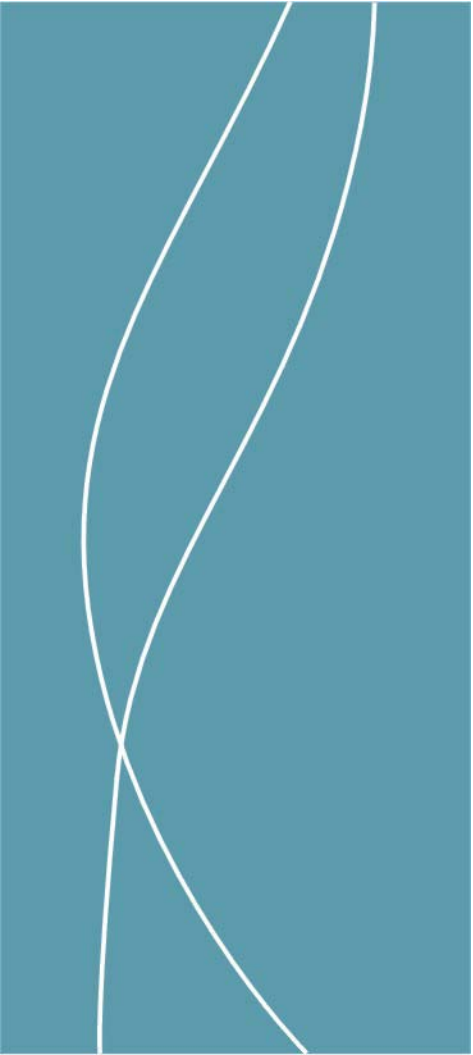


Marketing





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**



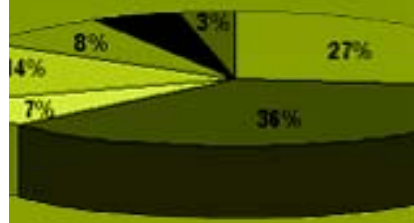
Strategic focus



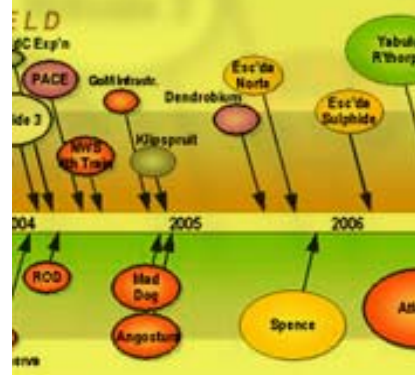


Conclusion

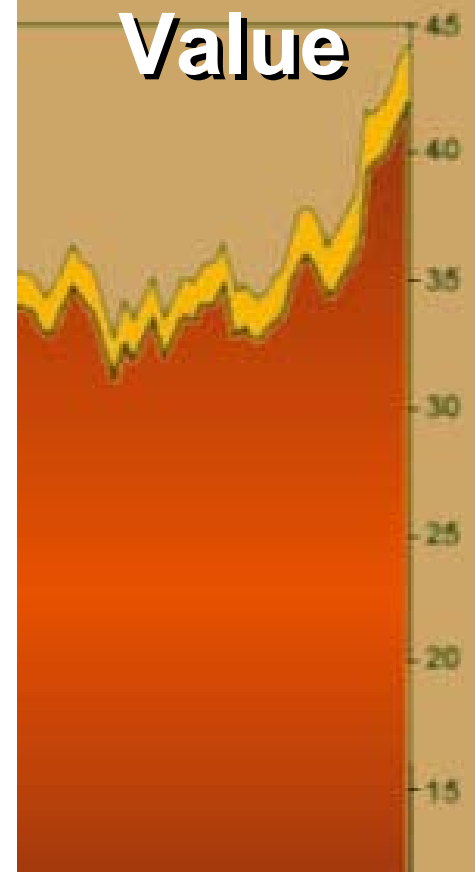
Stability



Growth



Value





Questions



bhpbilliton