# Stability, Strength, Growth…Value

**BMO Nesbitt Burns**

**2003 Global Natural Resources Conference**

February 2003

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# Stability, Strength, Growth…Value

Mr. Bradford A. Mills

President and CEO

BHP Billiton Base Metals

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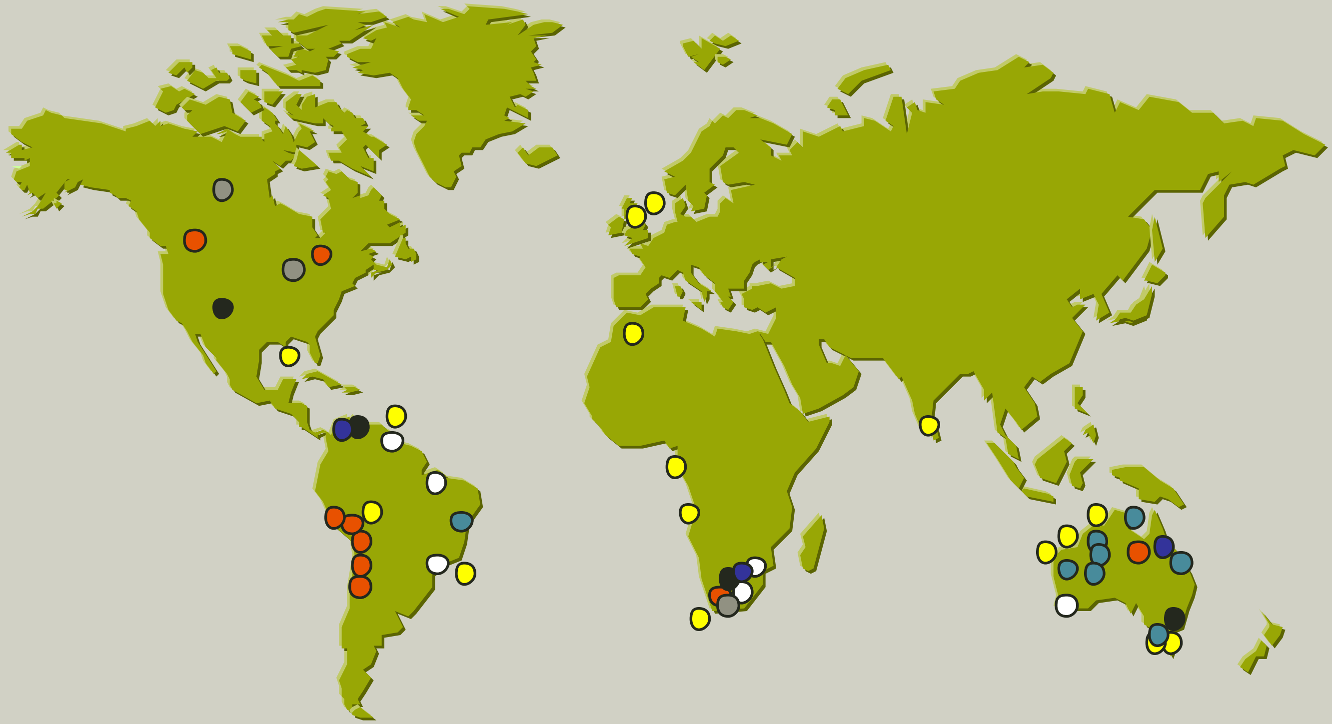
# BHP Billiton – A truly global business

Petroleum

Aluminium

Base Metals



Carbon Steel Materials

Diamonds & Spec Prod

Energy Coal

Stainless Steel Materials



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# Commitment to "zero harm"

- We are committed to the integrity of our employees, communities and environment
- We are committed to every employee returning home safely each day

- We strive to be valued by the communities where we operate and are also committed to invest 1% of pre-tax profits into the communities in which we operate
- We will operate in a manner where we will do no permanent environmental damage

# BHP Billiton investment proposition

**Stability of Cash Flow**

**Financial Strength**

**+ Growth from Projects**

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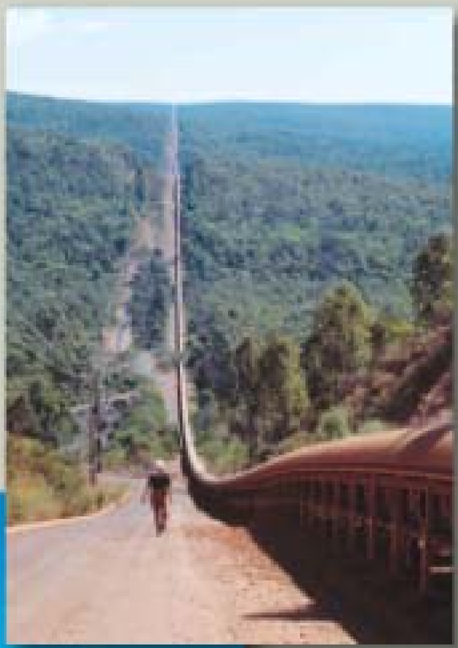
**Future Value**

# Escondida copper mine - Chile

# Worsley alumina refinery - Australia



# Mozal aluminium smelter - Mozambique



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# BHP Billiton Mitsubishi Alliance (BMA) - Australia




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# Ingwe coal – South Africa



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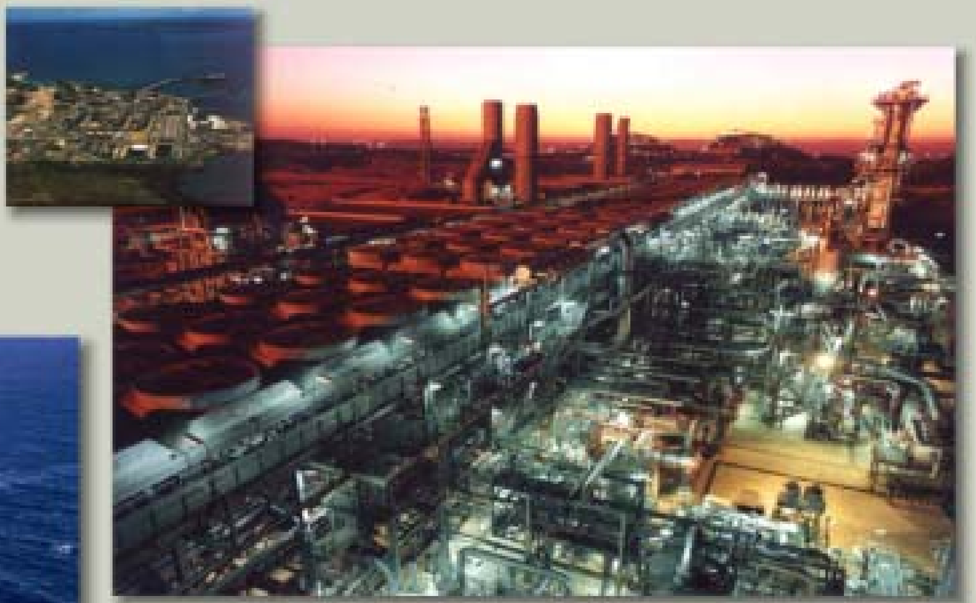
# North West Shelf and Bass Strait - Australia





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# Ekati™ diamond mine - Canada



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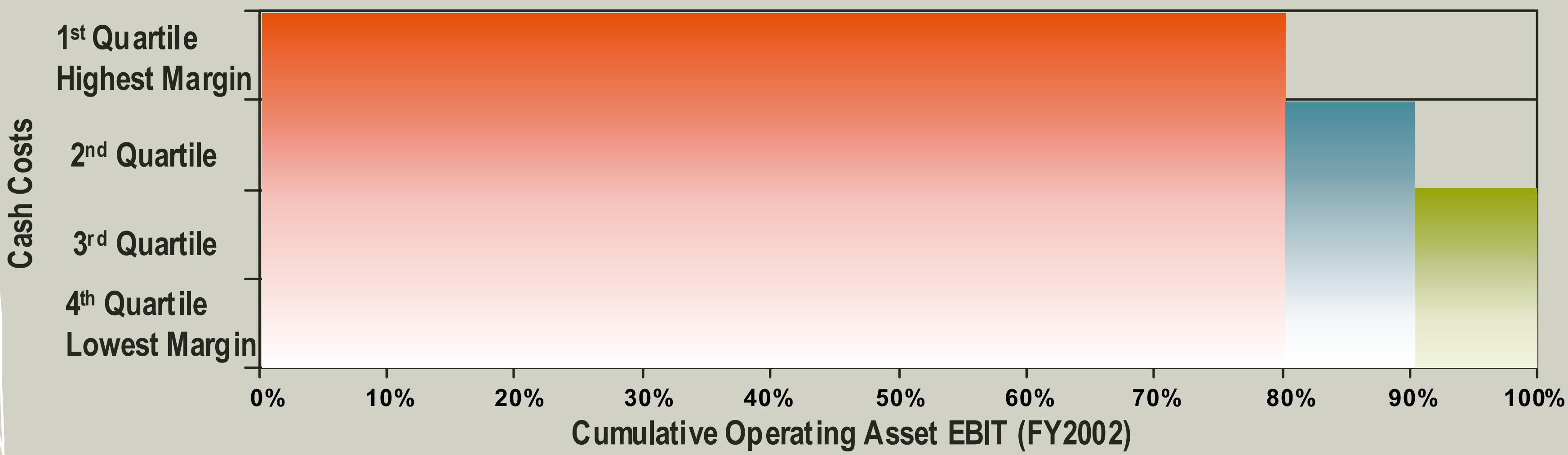
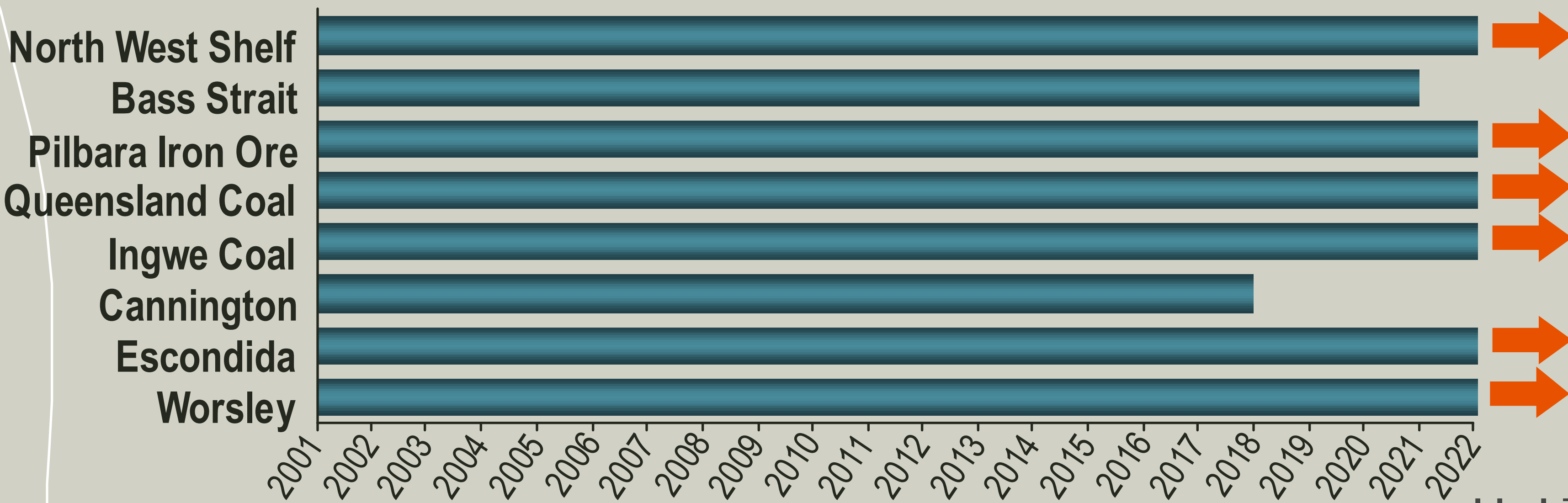
# Outstanding assets – low cost, high margin, long life



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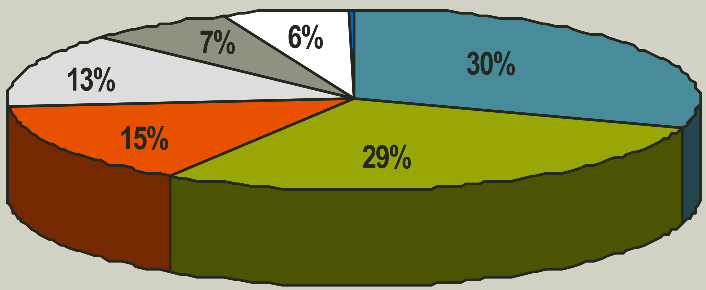
# The portfolio effect - outstanding diversification

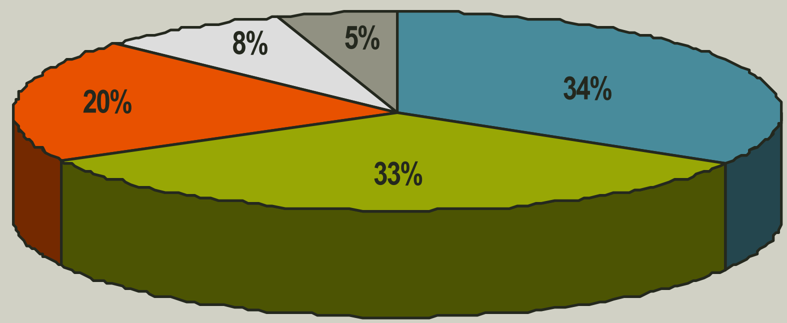
***By Commodity***

Customer Sector Group EBIT:



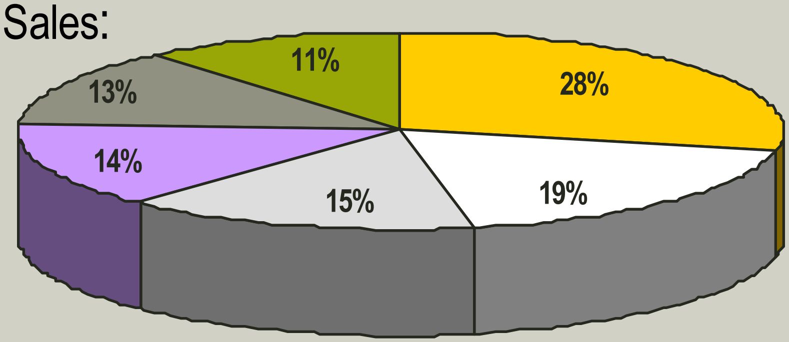

***By Geography***

Net Operating Assets:




***By Market***

Sales:




**Data for FY2002 (continuing operations)**



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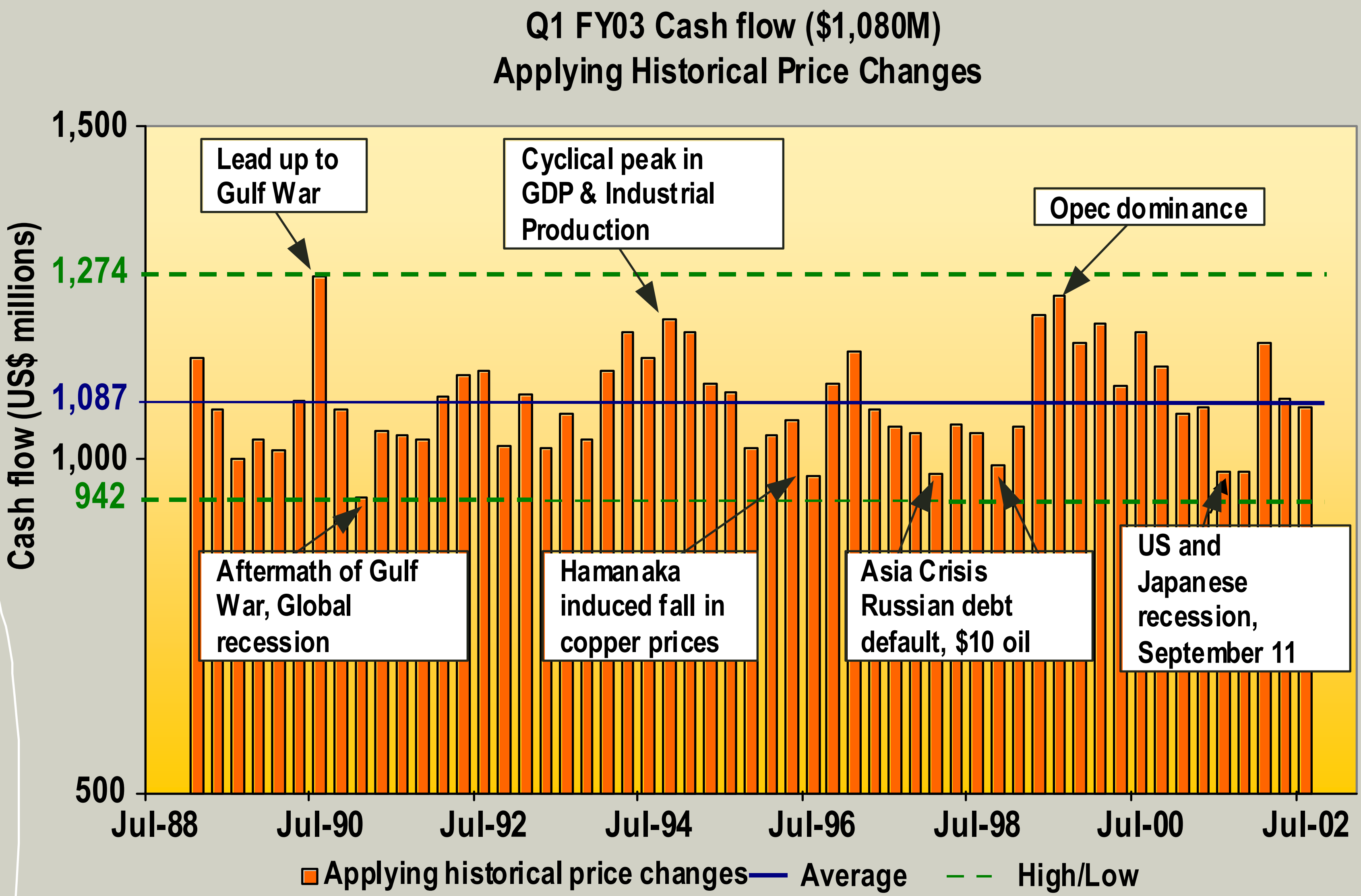
# Stability of cashflow




Cash flow, post interest, pre-tax, excl. working capital movements

# Financial strength

- **Balance Sheet Targets:**
  - **Maintain gearing between 35 to 40%**
  - **Maintain EBITDA Interest Cover better than 8x**
  - **Maintain an A credit rating or better**
- **Achieve a Return On Capital of 15% by 2006**
- **Positive Cash Flow before Dividends and Funding**

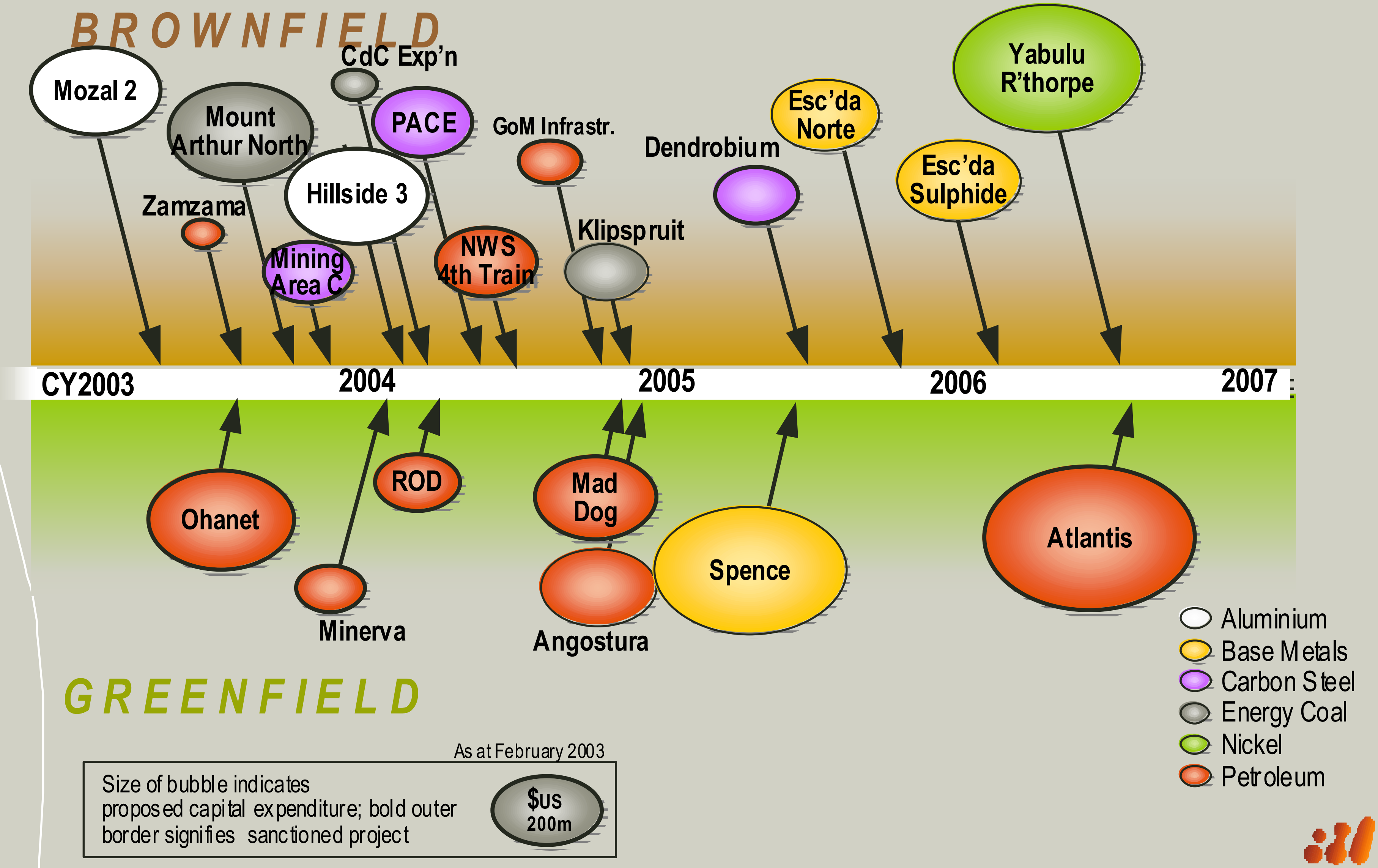
**Priorities of cash:**

**Develop pipeline of projects**

**Achieve balance sheet targets**

**Return to shareholders**

# Deep inventory of projects



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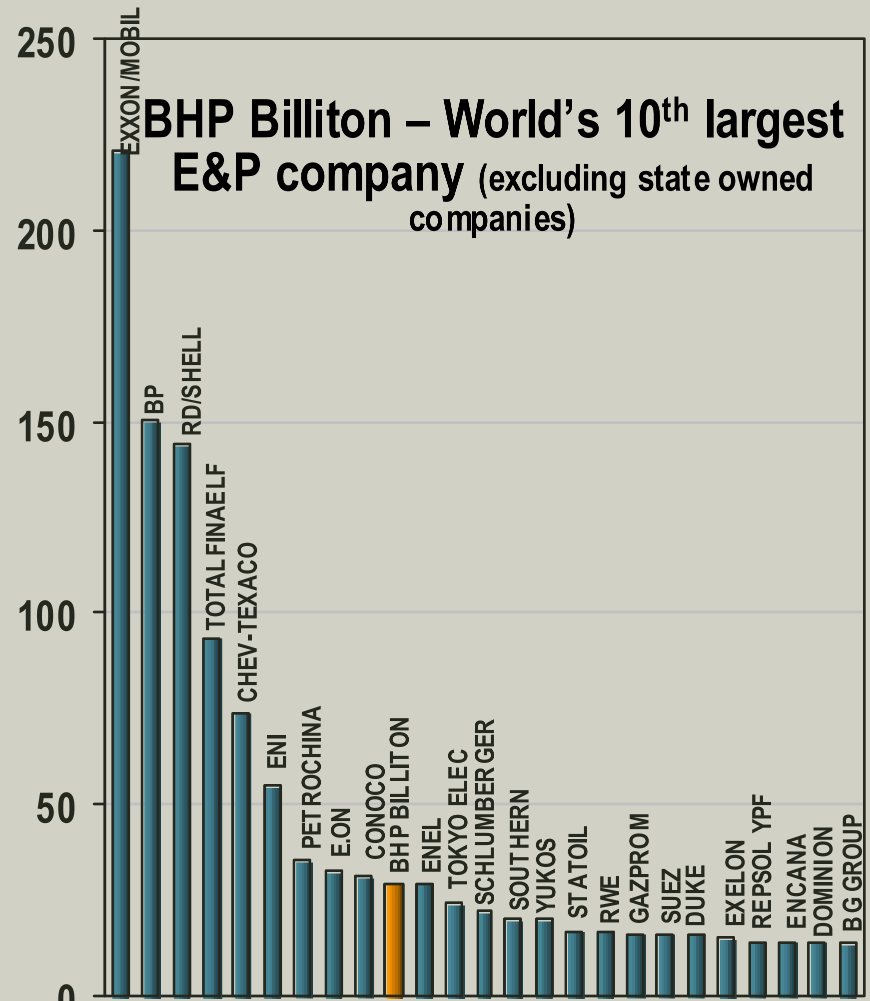
# BHP Billiton industry position by market cap


Source: Datastream




Source: The Petroleum Finance Company



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# Cost savings – margin and bottom line growth

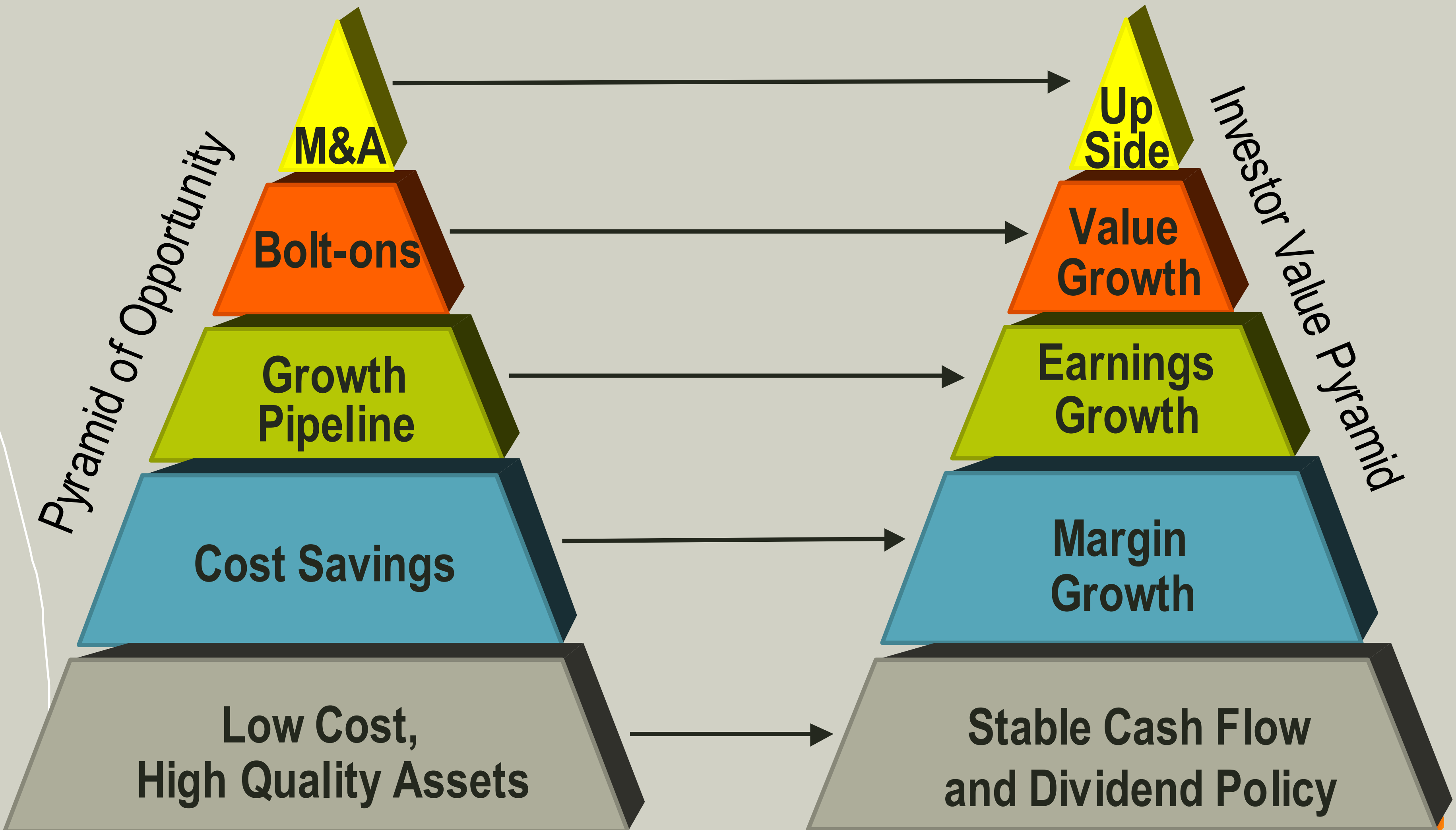
$220m achieved
in FY02

**Merger synergies**
**$270m**

2% real p.a.
FY03 - FY05

**Further target**
**$500m**

# BHP Billiton pyramids of value



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## Stability, Strength, Growth…Value

**We seek to earn superior returns for our shareholders as the world's premier supplier of natural resources and related products and services**

**We can do more than this...**

**We aspire to be one of the world's premier companies**

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