

BHP Billiton

Chris Lynch – Chief Financial Officer

Merrill Lynch Australasia Investment Conference

New York

30 September 2002



Key investment theme

Stability

Growth

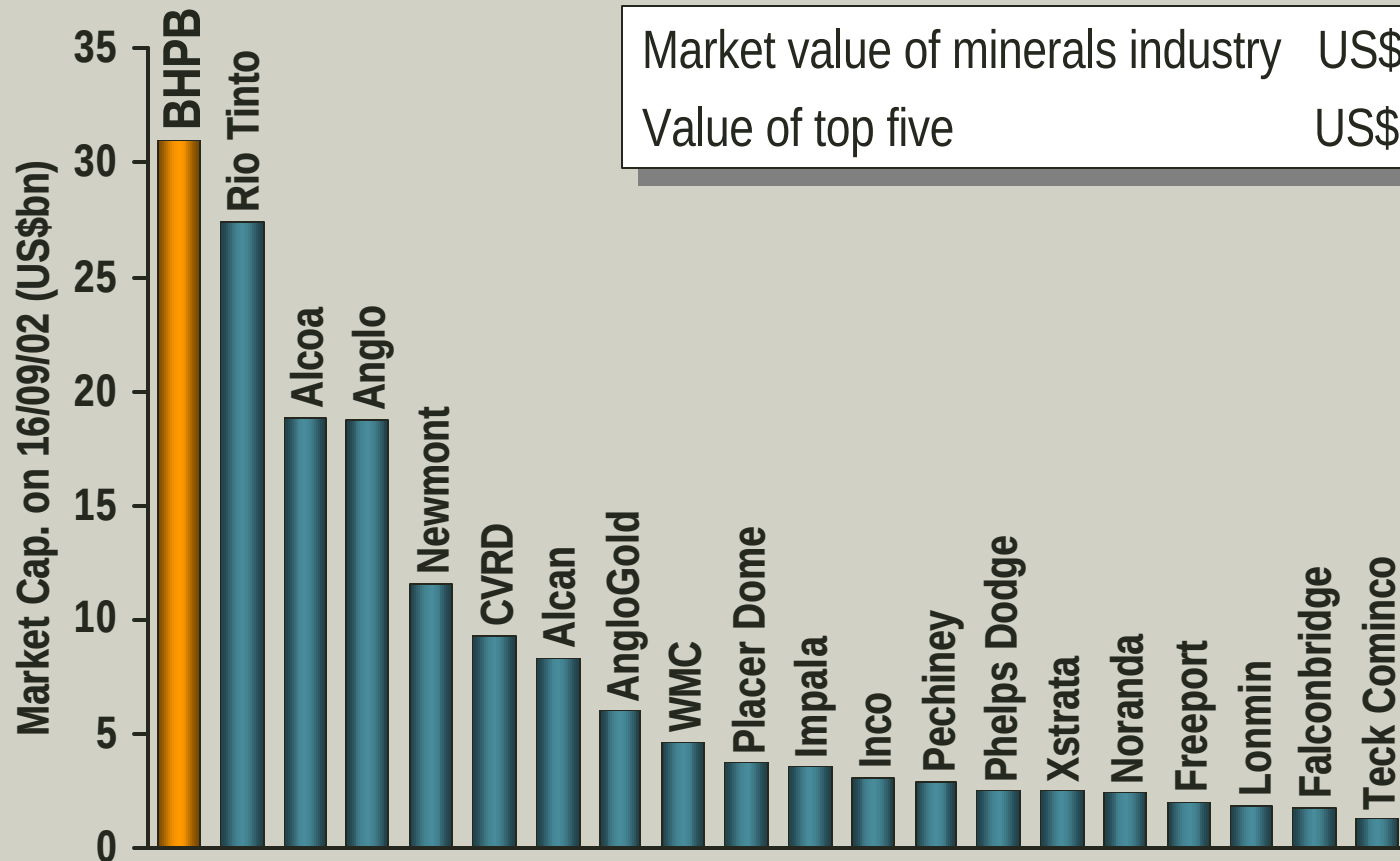
Value

Stability, Growth, Value

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

The largest company in a consolidating sector

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



Market value of minerals industry US\$235 bn
Value of top five US\$110 bn

A global footprint

Petroleum



Aluminium



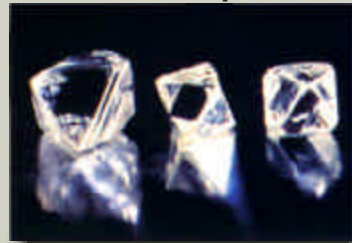
Base Metals



Carbon Steel Materials



Diamonds & Spec Prod



Energy Coal

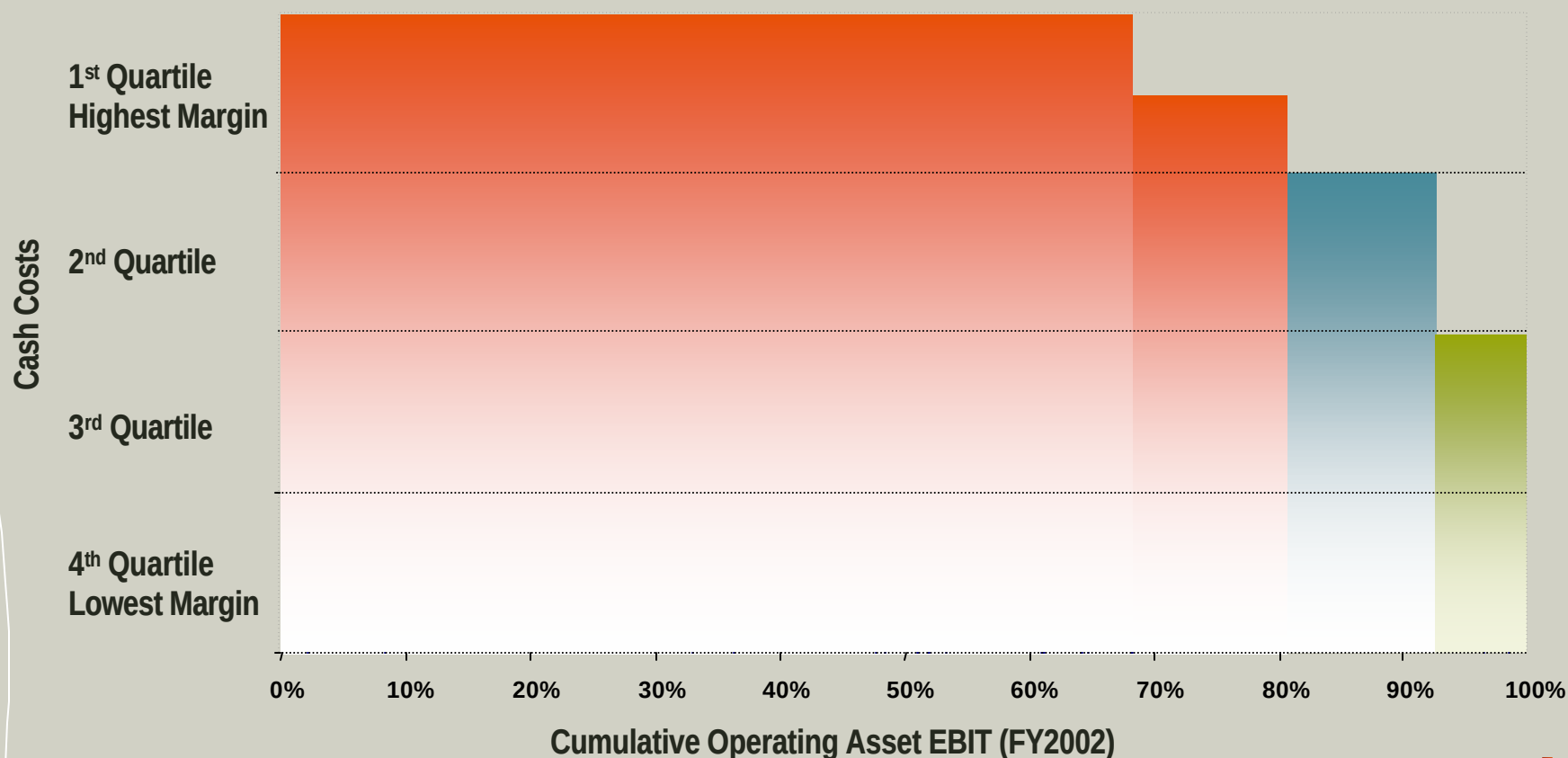


Stainless Steel Materials



Low cost, high margin asset base

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



World class assets with long reserve lives

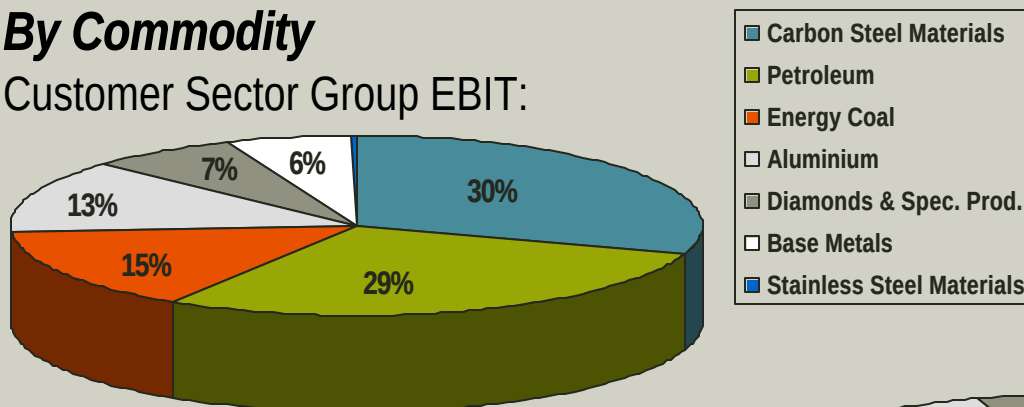


EBIT from the above assets represents 64% of EBIT in FY2002

Outstanding diversification – stable cash flows

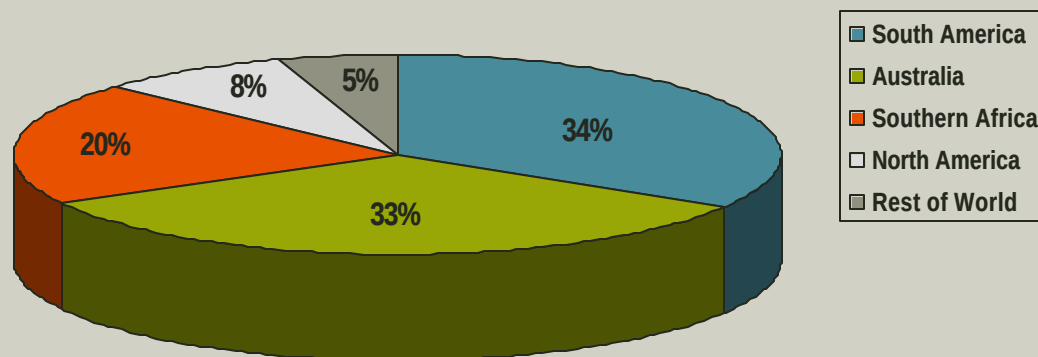
By Commodity

Customer Sector Group EBIT:



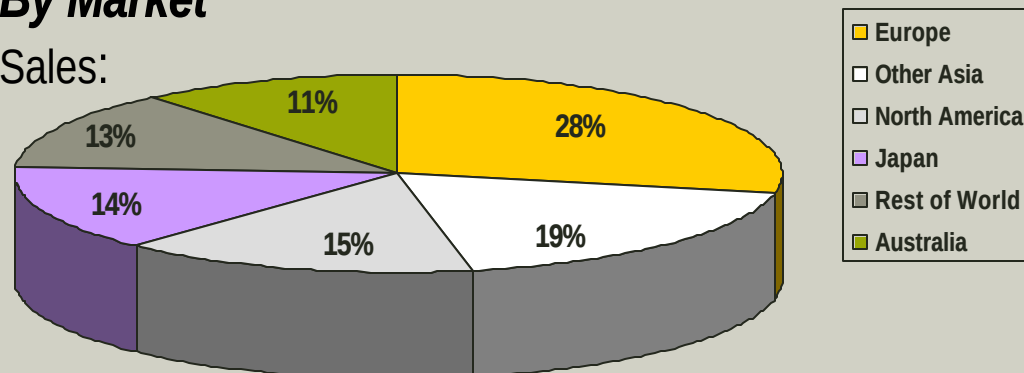
By Geography

Net Operating Assets:



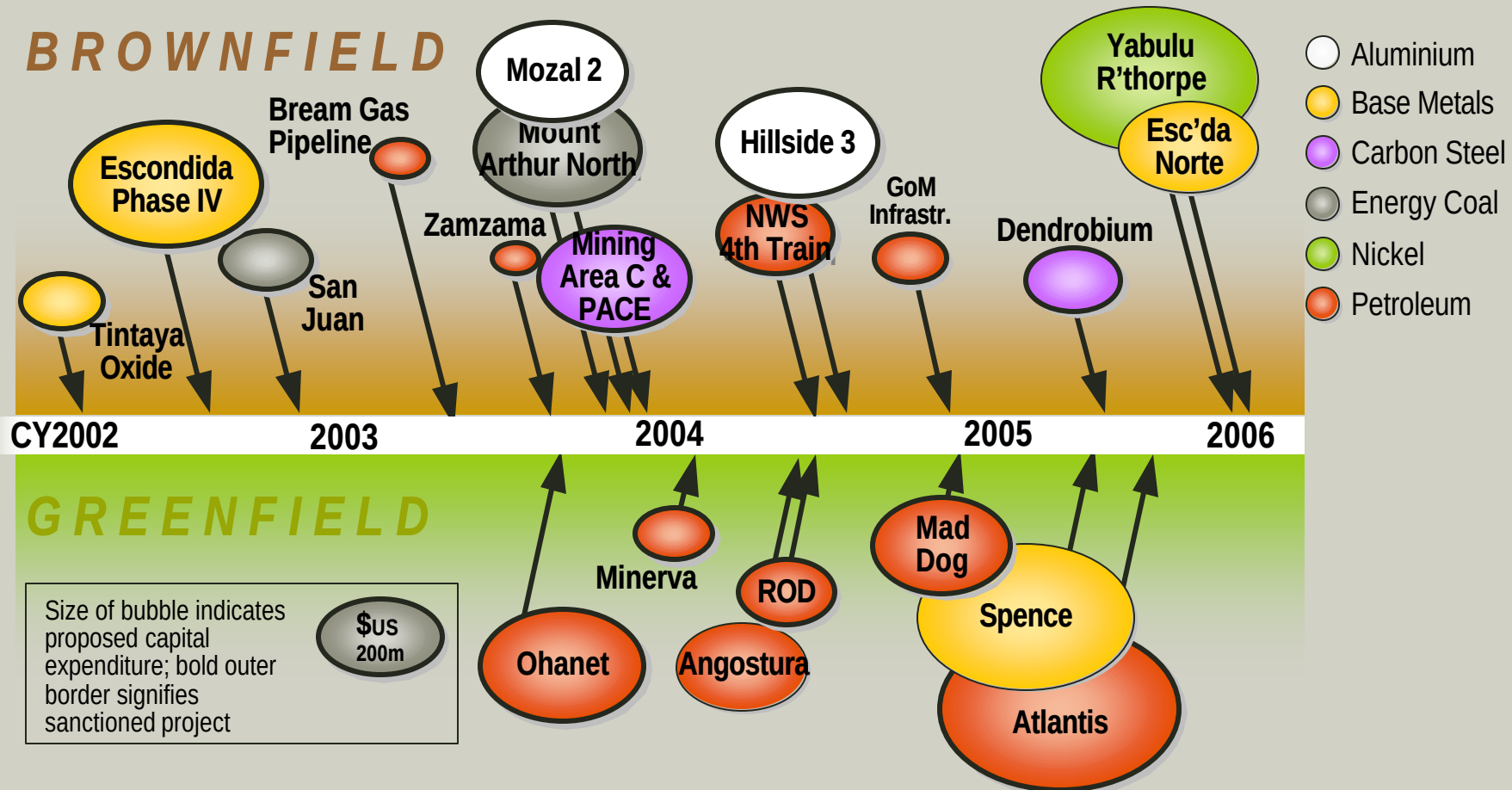
By Market

Sales:



Data for FY2002 (continuing operations)

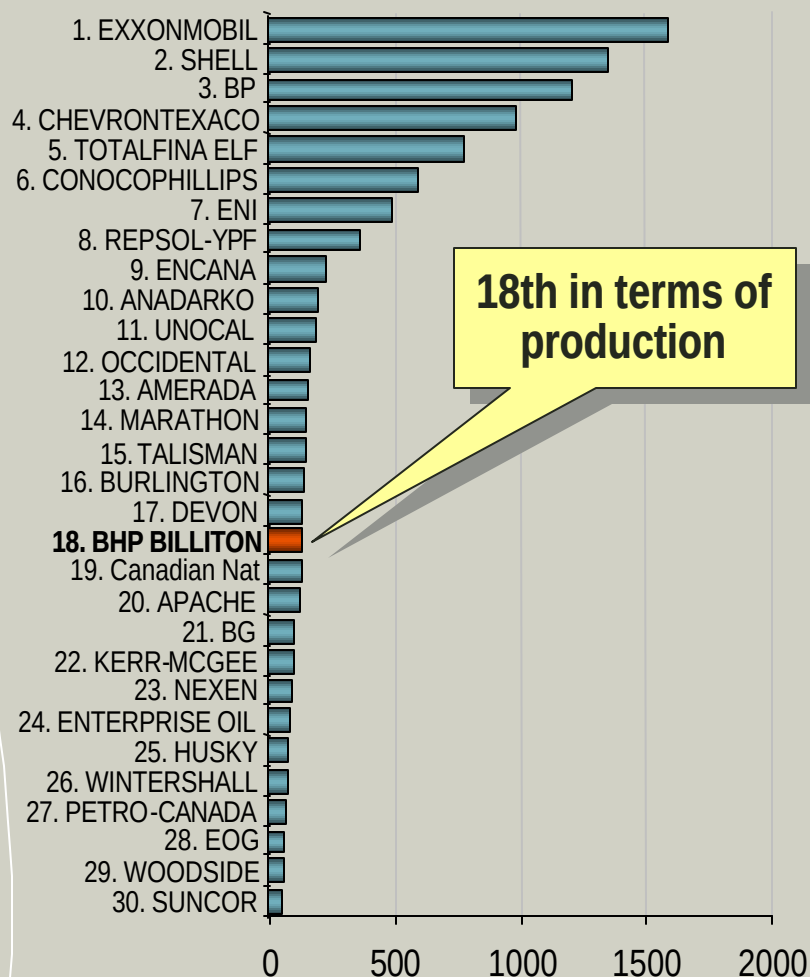
Deep inventory of projects



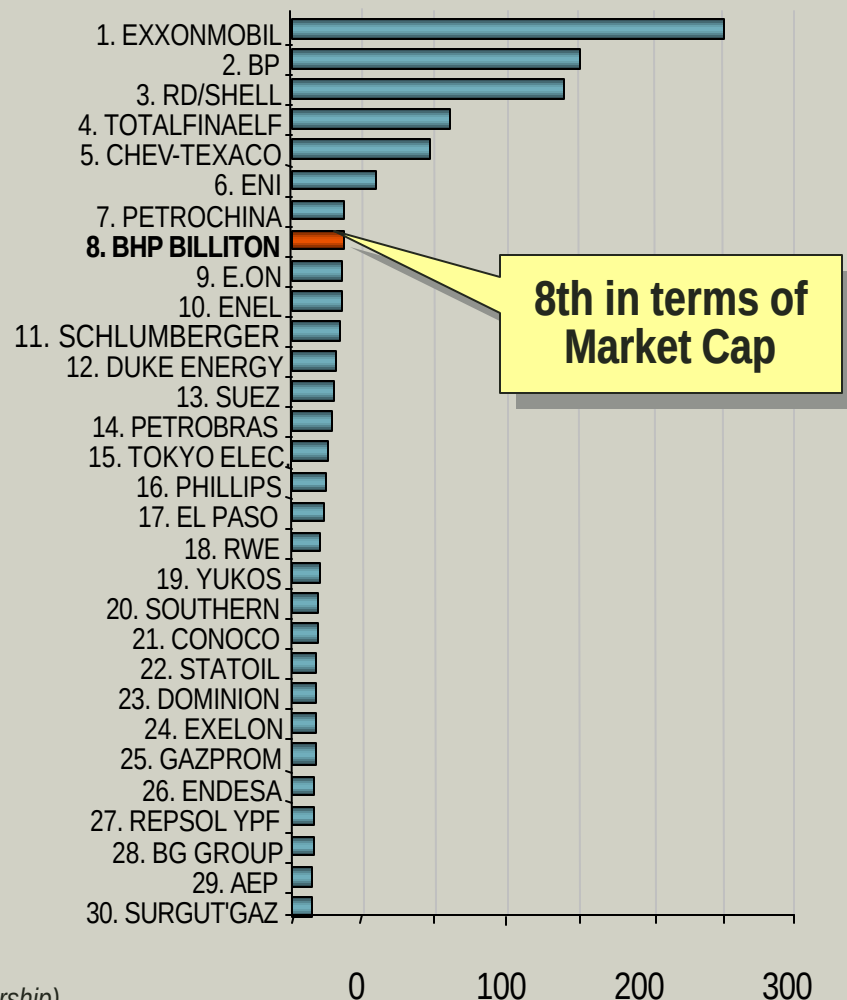
Expenditure measured against alternative uses for capital -
project pipeline is value enhancing

Petroleum - room for growth

Annual Production (MMboe)



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



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

Slide 10

Cost savings – margin and bottom line growth

\$220m achieved
in FY02

**Merger synergies
\$270m**

2% real p.a.
FY03 - FY05

**Further target
\$500m**

Developing internal growth options



Pyramid of opportunity



Value Drivers - What distinguishes us from the rest

I. Stability from Outstanding Assets

II. Stability from the Portfolio Effect

III. Stability and Growth from Customer-Centric Marketing

IV. Growth from Deep Inventory of Projects

V. Growth from Petroleum

VI. Growth through Innovation

Strong financial commitments

- Return on Capital > 15% by 2006
- Maintain a strong single A credit rating
- Minimum EBITDA to interest cover of 8x over the cycle
- Maintain net gearing of 35-40%
- Project pipeline funded from internal cash flows
- Merger benefits of \$270 million by end FY 2003
- Cost savings total of \$500 million by end FY 2005



Stability, Growth, Value

We seek to earn superior returns for our shareholder 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



bhpbilliton