

BHP Billiton



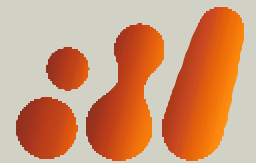
“Fairy Tales for Investors”

Brian Gilbertson: CEO - elect

JP Morgan CEO Conference 2002

Lake Como, Italy

April 2002

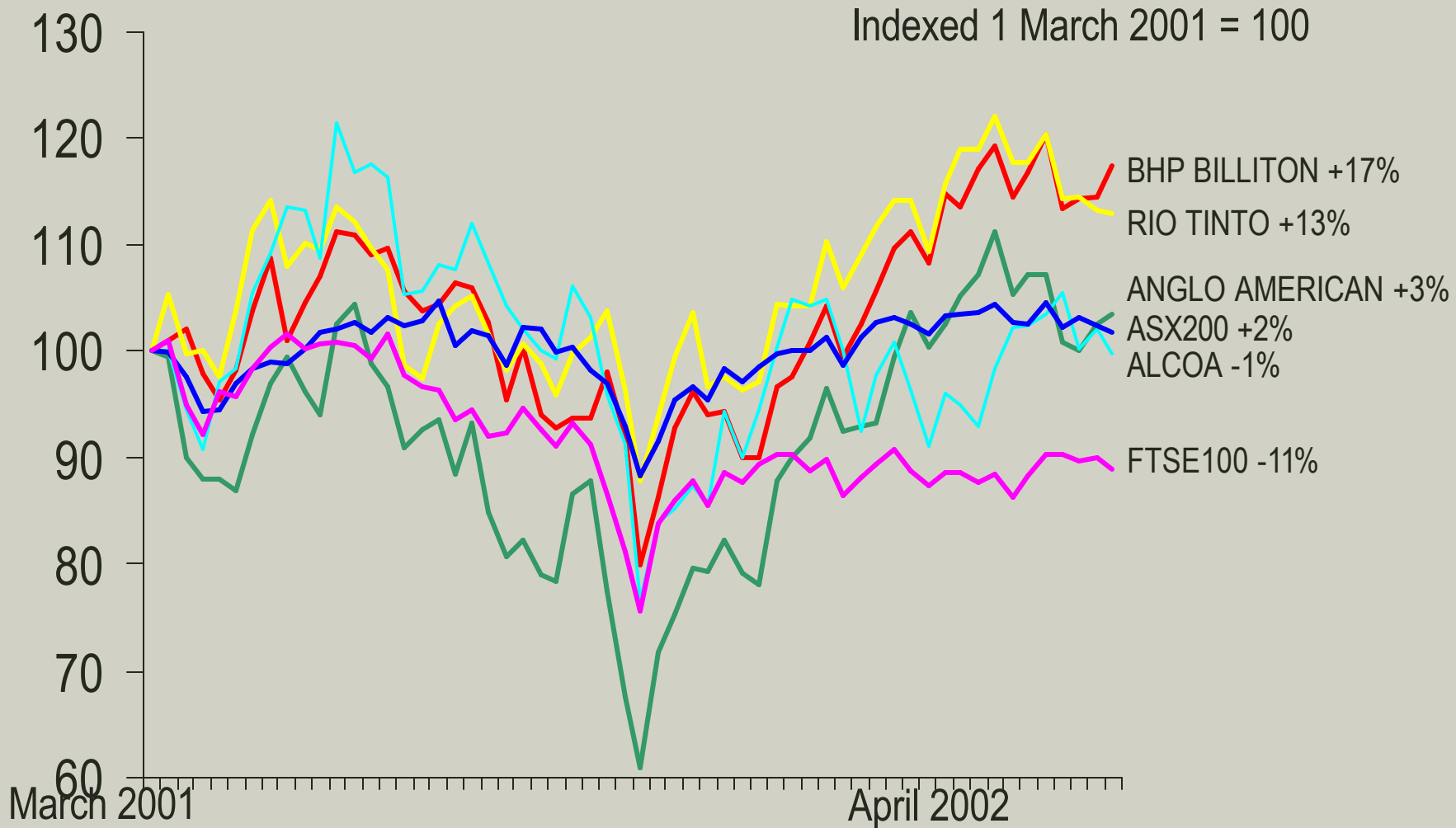


bhpbilliton

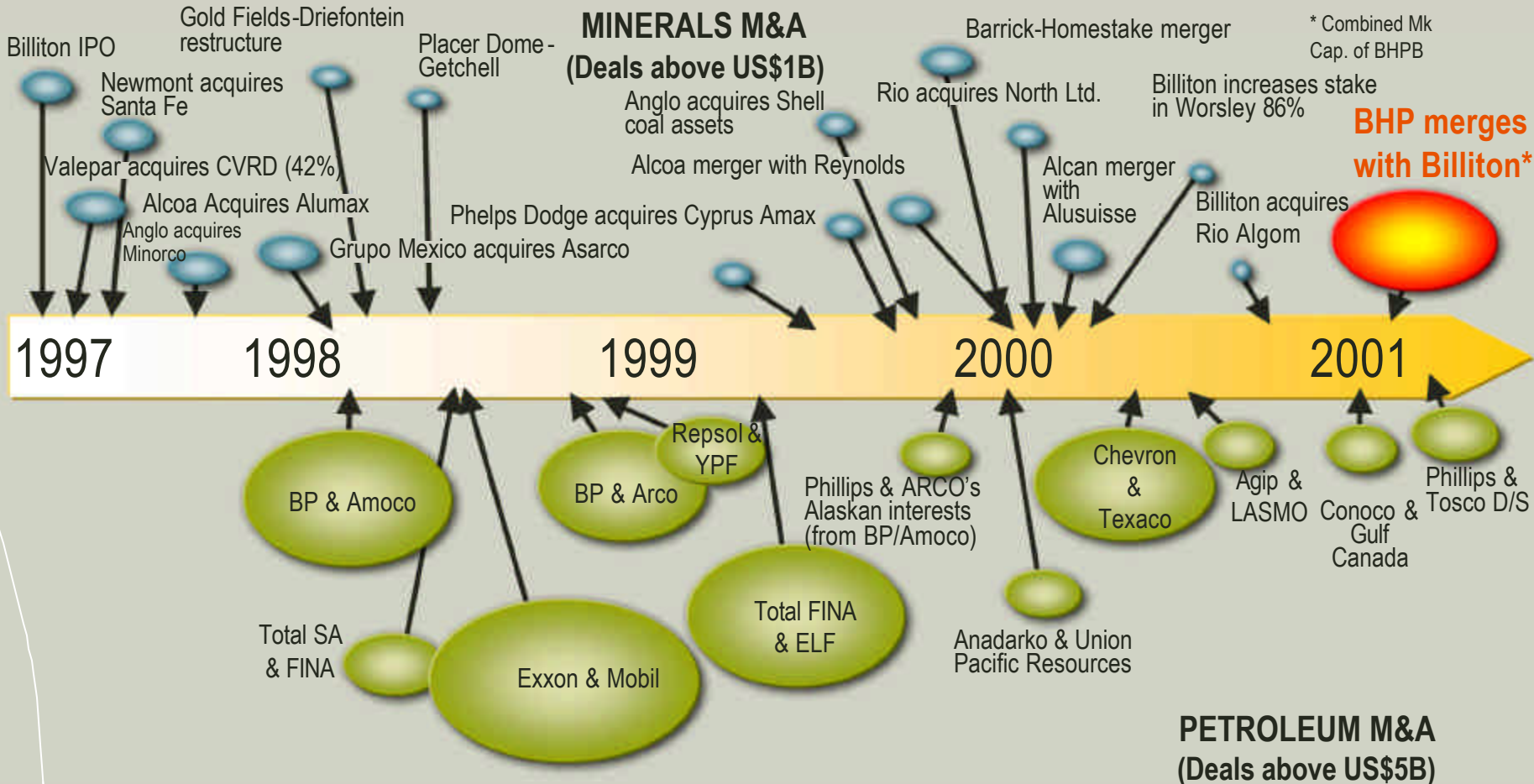
Enter the knight in shining armour...



Share price has outperformed peers and the markets since the merger announcement in March 2001



Industry Consolidation

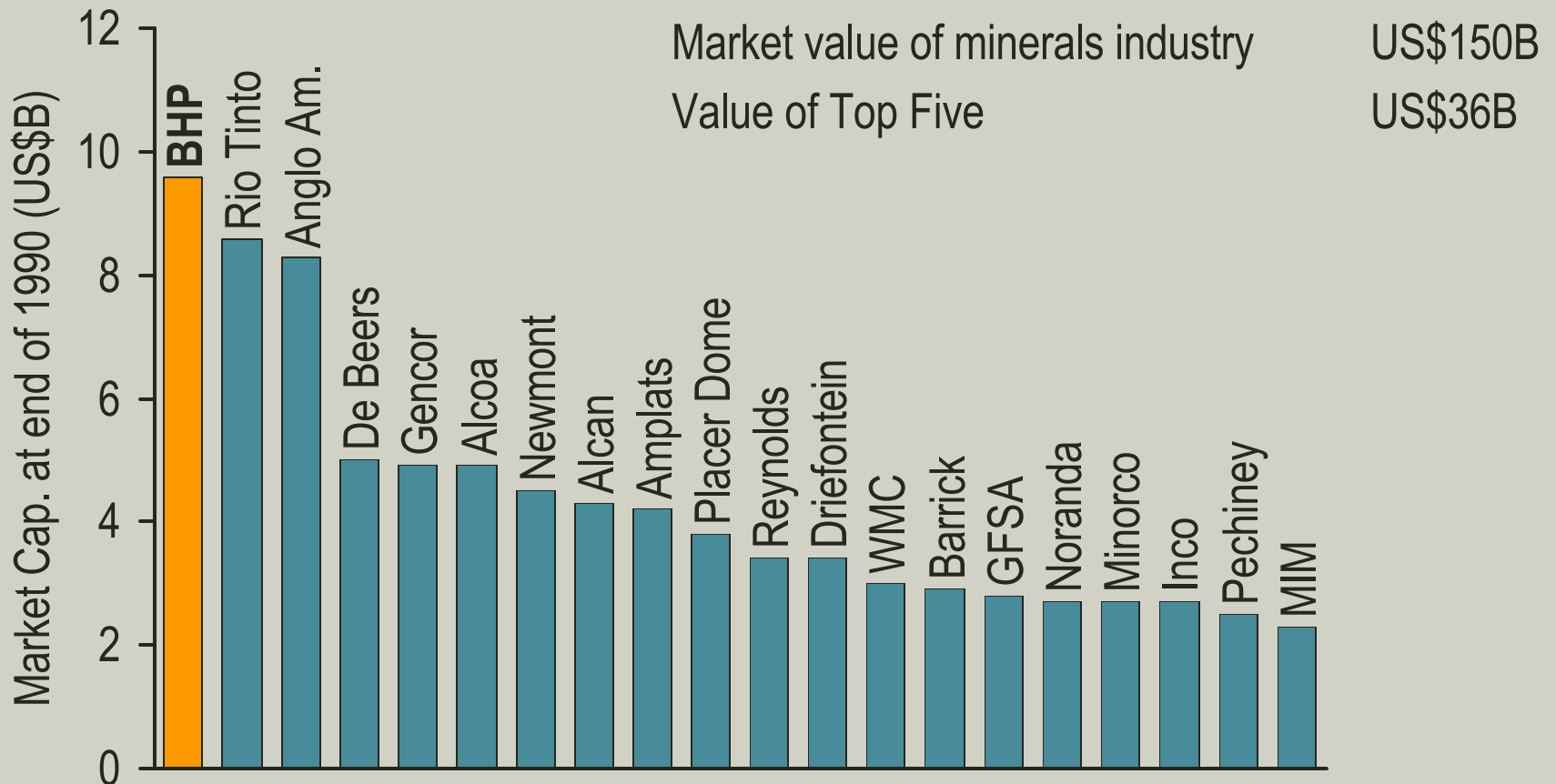


M&A Deals in 1997-2001:

Oil & Gas ~US\$600 billion
 Mining and Metals ~US\$100 billion

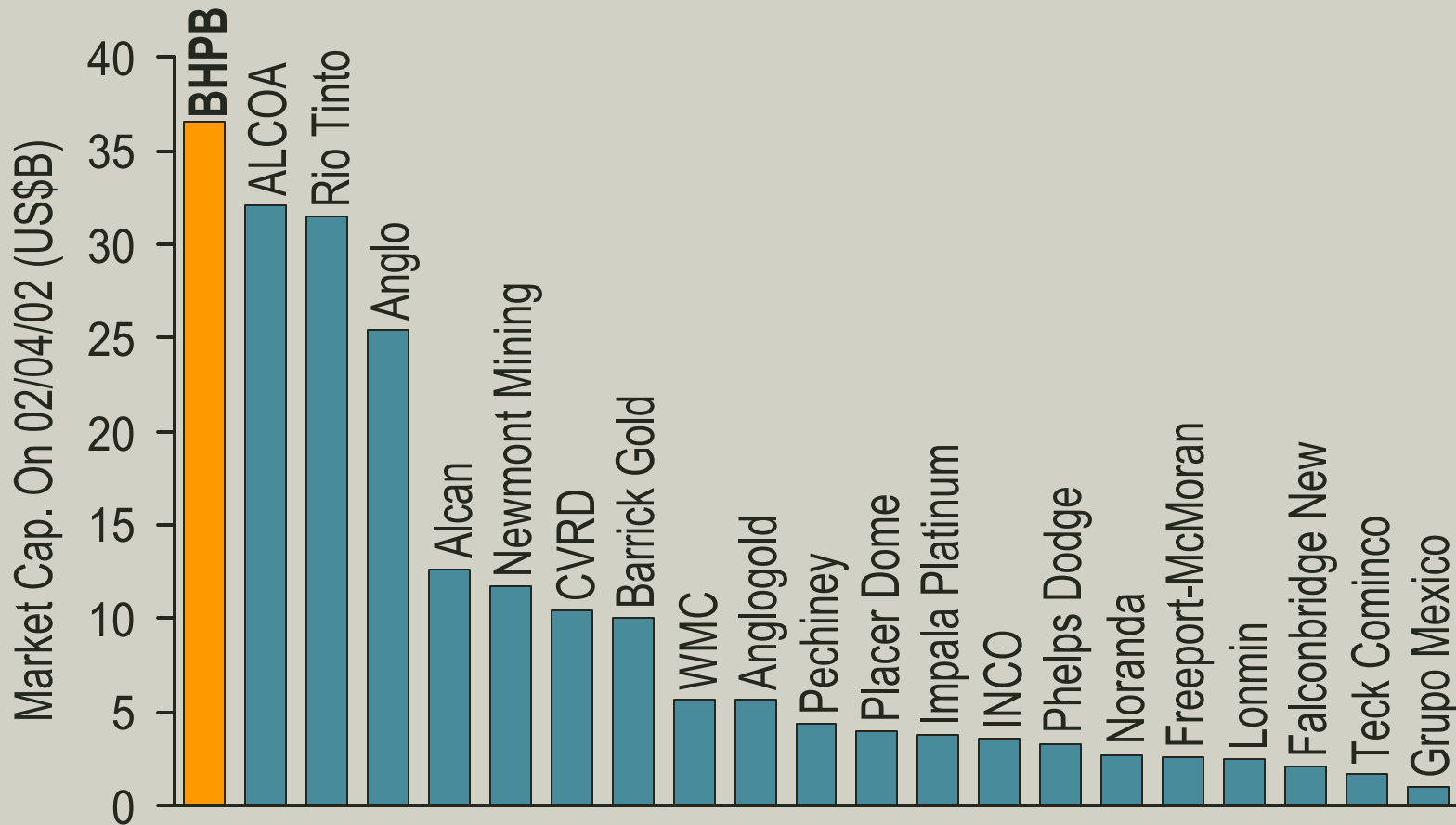
1990 – Industry Structure

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



2002 – Industry Structure

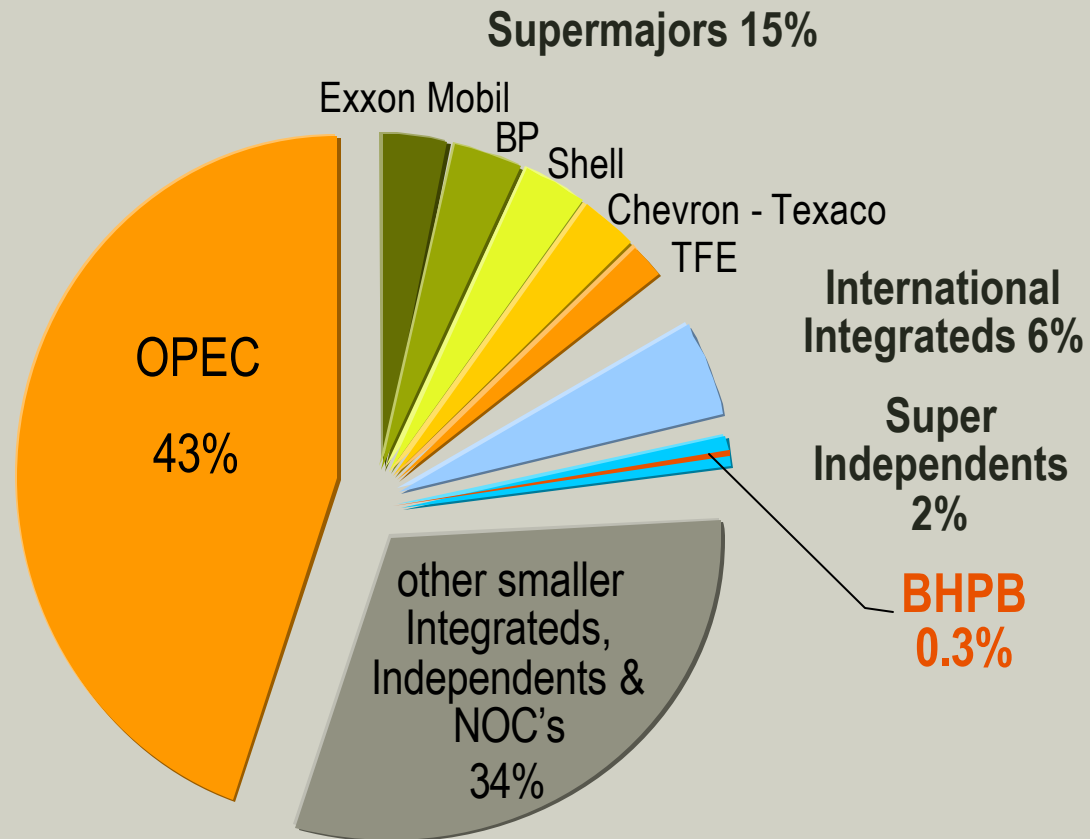
Top five companies account for almost 50% of resource equity market value – double their share of 10 years ago.



Oil and Gas: “less” consolidated but OPEC is vital

Oil and gas sector has a market value of about US\$1,400 billion, excluding the national oil companies.

The five “super-majors” account for just over US\$900 billion in market cap.

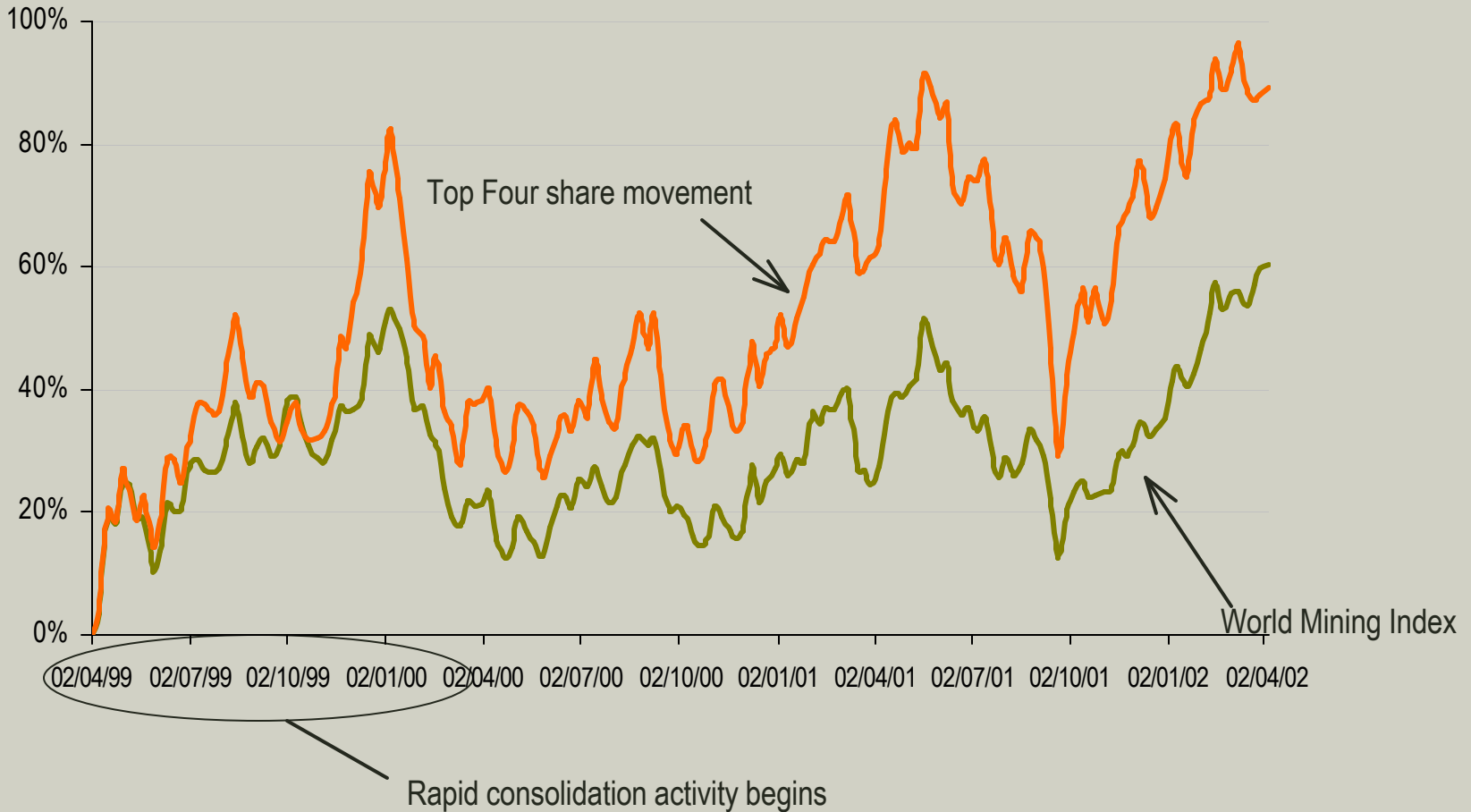


2000 crude oil production
68 million bbls/day

Source: BHPB Petroleum

3 Year Mining Industry Return Analysis

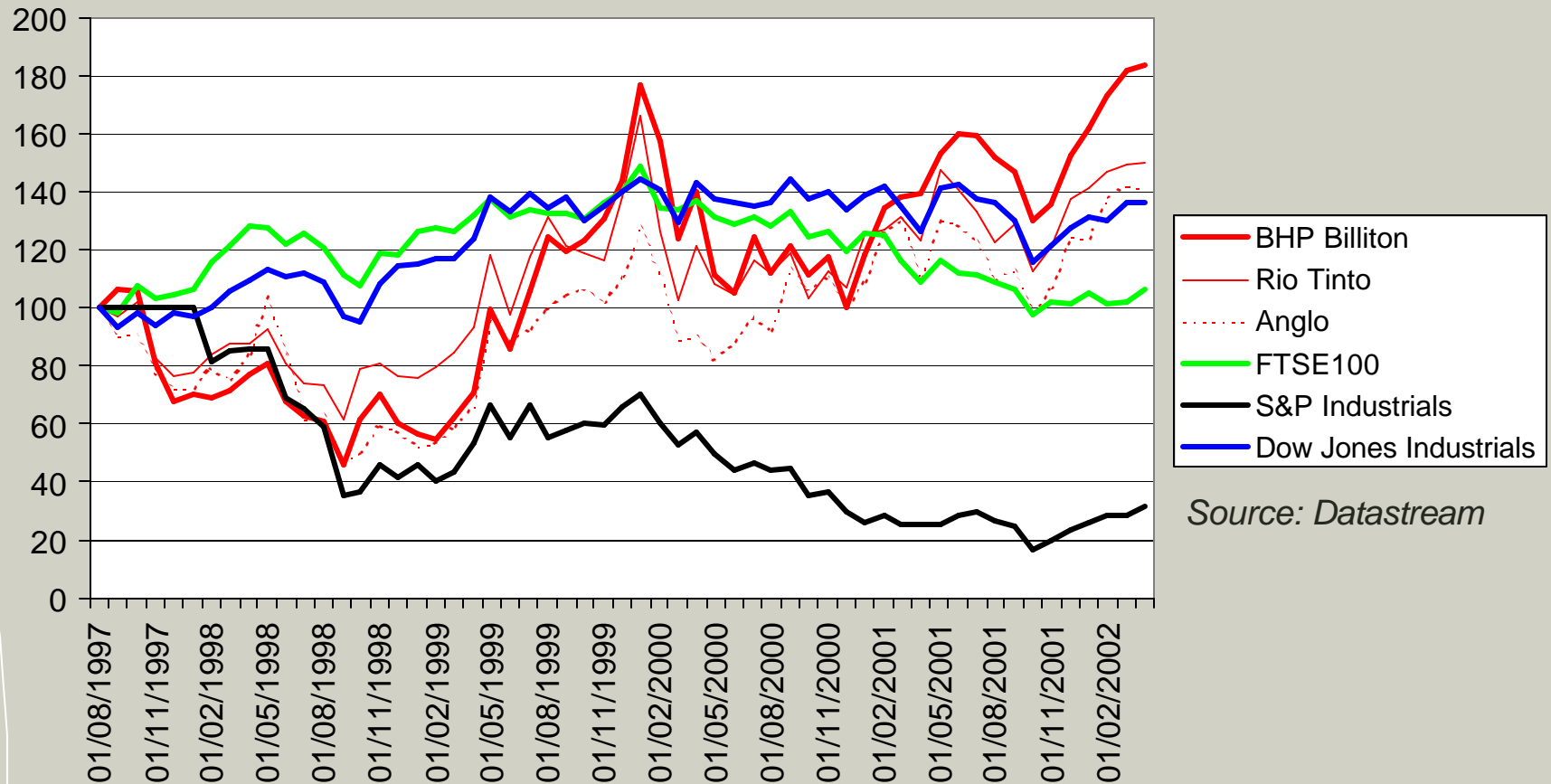
Consolidation driving better share growth return for Top Four



Source: Datastream

BHP Billiton has delivered superior shareholder returns (from a Billiton perspective) since listing in London

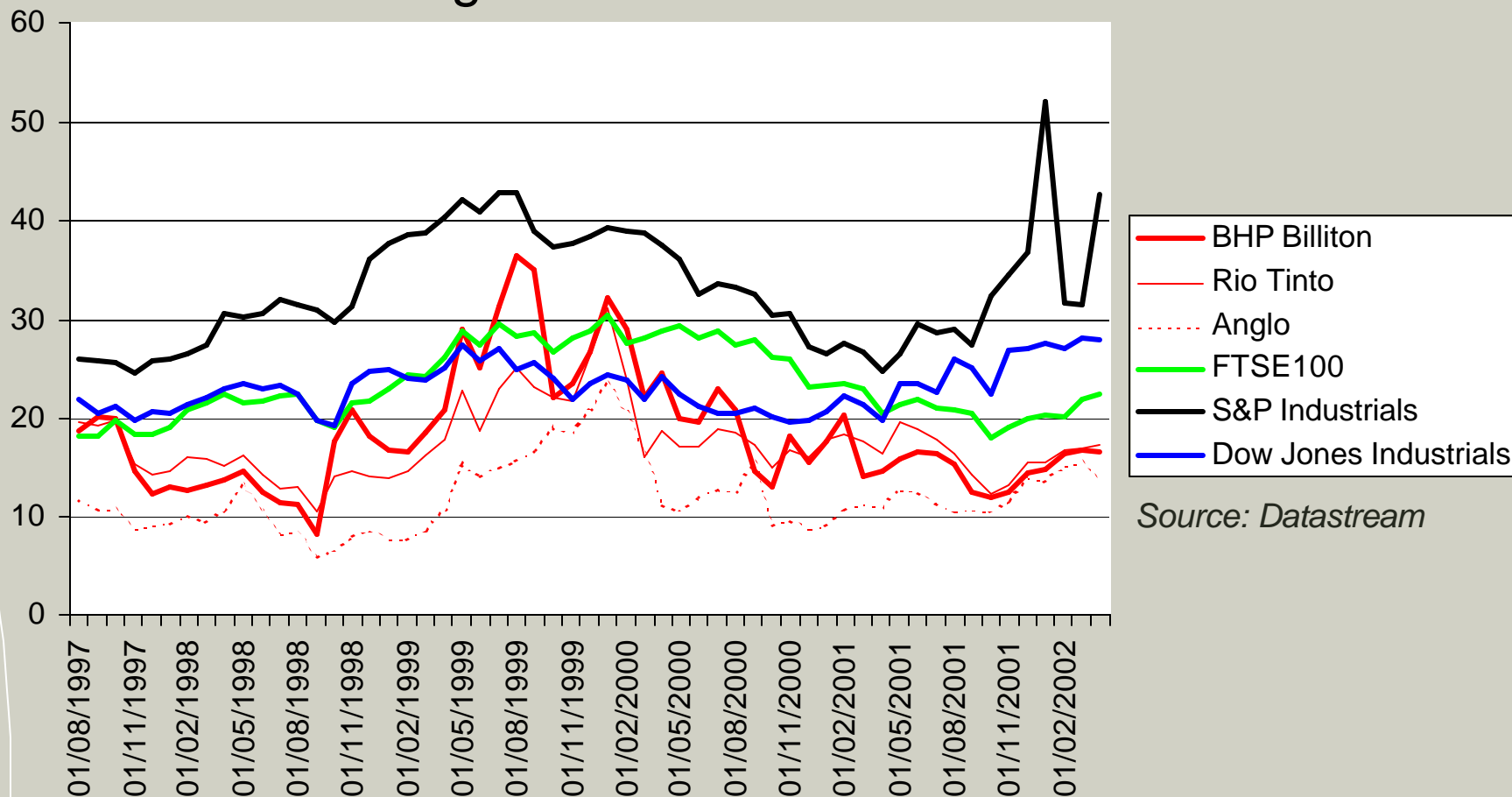
Total Shareholder Returns – 1997-2002



Source: Datastream

BHP Billiton's historical market (PE) multiples are behind those of the major industrials

Price-Earnings Ratios – 1997-2002



Source: Datastream

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

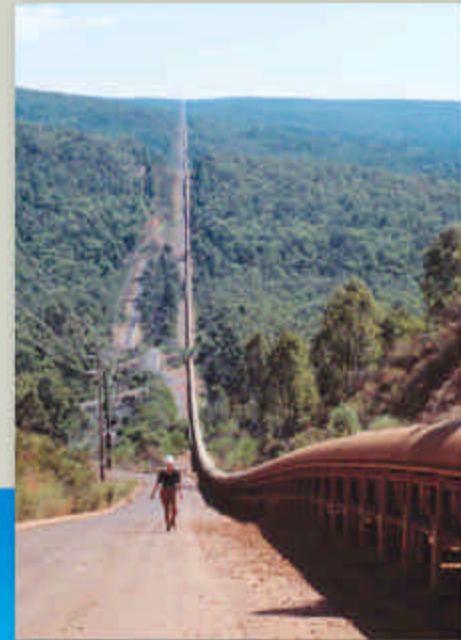
VI. Growth Through Innovation

I. Stability From Outstanding Assets

Escondida Copper Mine - Chile



Worsley Alumina Refinery - Australia



Mozal Aluminium Smelter - Mozambique



BHP Billiton Mitsubishi Alliance (BMA) - Australia



Ingwe Coal – South Africa



Ekati™ Diamond Mine - Canada



Bass Strait – Australia



North West Shelf Project - Australia



I. Stability From Outstanding Assets

Strategic Imperatives (What we have to get right)

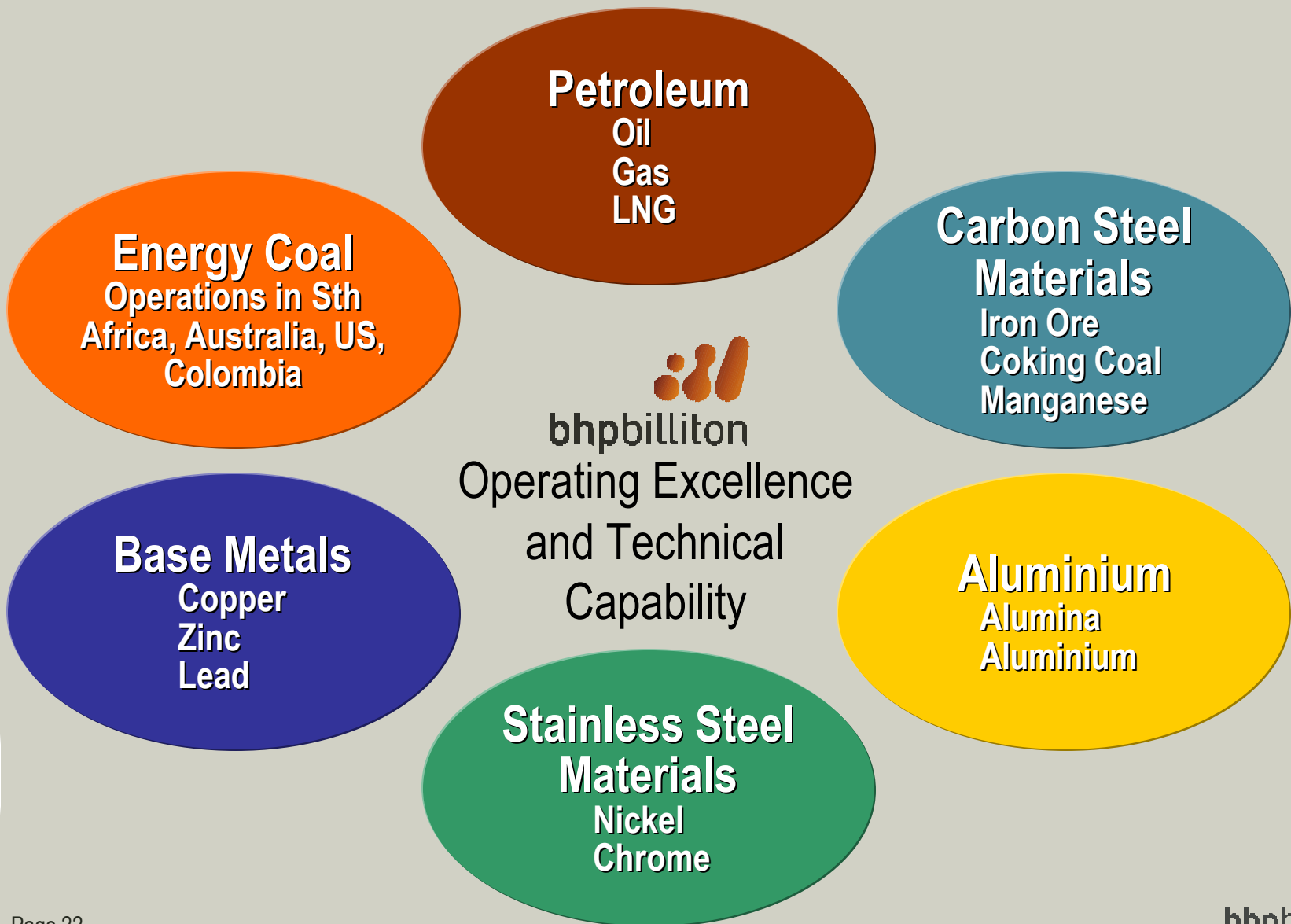
- Operating excellence
BHP Billiton Way

Performance Measures (How the market should judge us)

- Cut operating costs by 2% p.a. on average for 3 years.
(US\$500M FY03-05)

Improved EBIT and FCF.
EBIT SVA.
- Return on Capital >15% by FY2006

The Customer Sector Groups



II. Stability from the Portfolio Effect

Outstanding Diversification

By Commodity

Customer Sector Group EBIT:

| | |
|---------------------------|-----|
| Petroleum | 35% |
| Carbon Steel Materials | 22% |
| Aluminium | 13% |
| Base Metals | 12% |
| Energy Coal | 9% |
| Steel | 7% |
| Stainless Steel Materials | 2% |

By Market

Sales:

| | |
|---------------|-----|
| Asia/Oceania | 47% |
| Europe | 24% |
| North America | 18% |
| Rest of World | 11% |

By Geography

Net Operating Assets:

| | |
|-----------------|-----|
| Australia | 37% |
| South America | 35% |
| Southern Africa | 20% |
| Europe | 3% |
| Rest of World | 5% |

By Shareholder

Holding:

| | |
|---------------|-----|
| Australia | 37% |
| UK & Europe | 30% |
| North America | 17% |
| S. Africa | 8% |
| Asia | 6% |
| Other | 2% |

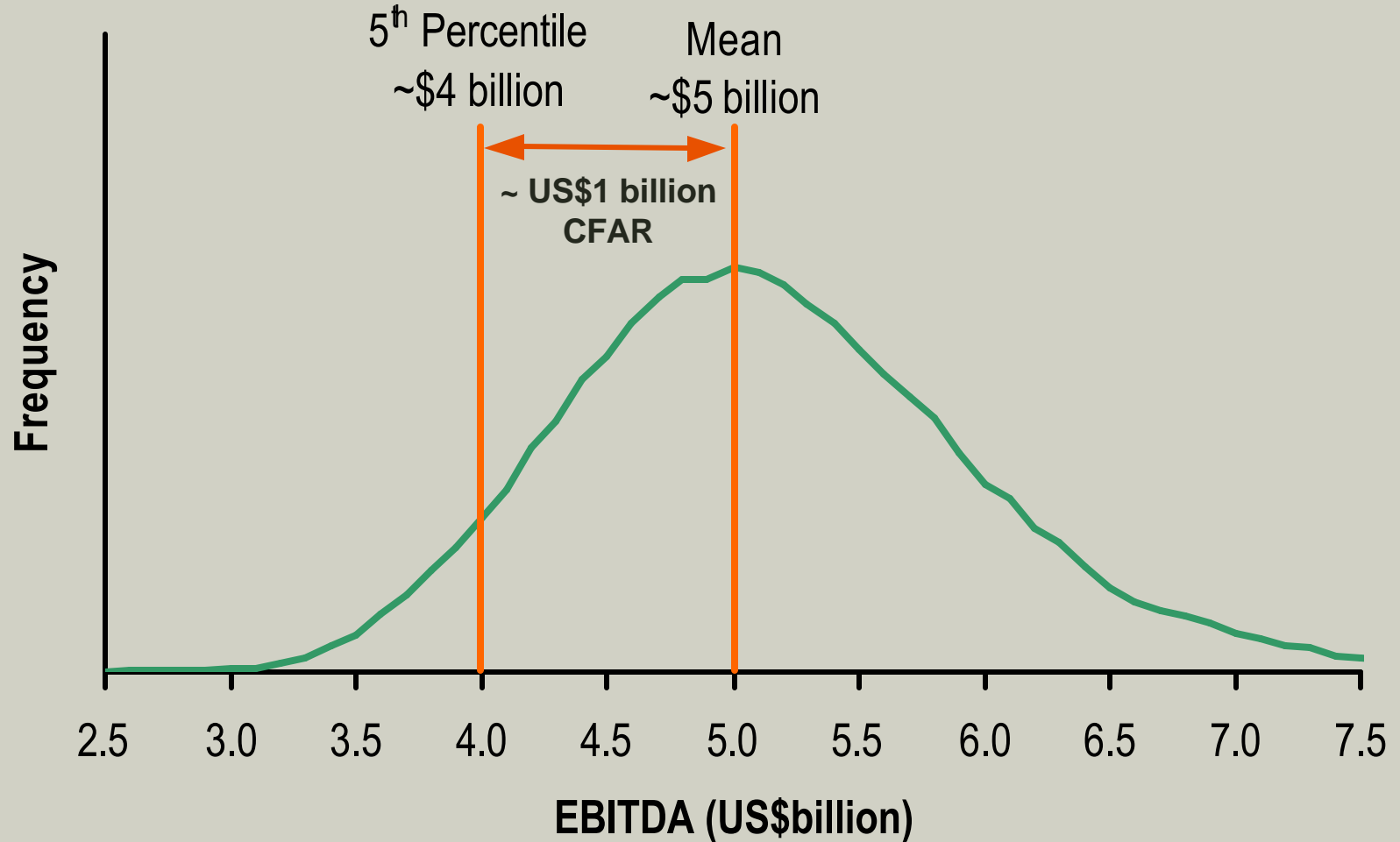
Data for FY2001 or at 30 June 2001

Shareholder data for 31 December 2001

Sales data includes Steel

Cash Flow at Risk

BHP Billiton EBITDA (Indicative)



II. Stability from the Portfolio Effect

Strategic Imperatives (What we have to get right)

- Portfolio management
- Funding and capital management

Performance Measures (How the market should judge us)

- Credit rating of 'A' or better.
Positive Cash Flow each year.
EBITDA/Interest coverage > 8x.
(gearing 35% -40%)

III. Stability & Growth From Customer-Centric Marketing

Strategic Imperatives

(What we have to get right)

- Serving customers best

Performance Measures

(How the market should judge us)

- Preferred supplier status.
Global marketing and trading.

Marketing – A Key Component of the Organisational Structure

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

Stainless
Steel
Materials

Energy
Coal

Petroleum

CSGs

IV. Growth From Deep Inventory of Projects

Strategic Imperatives (What we have to get right)

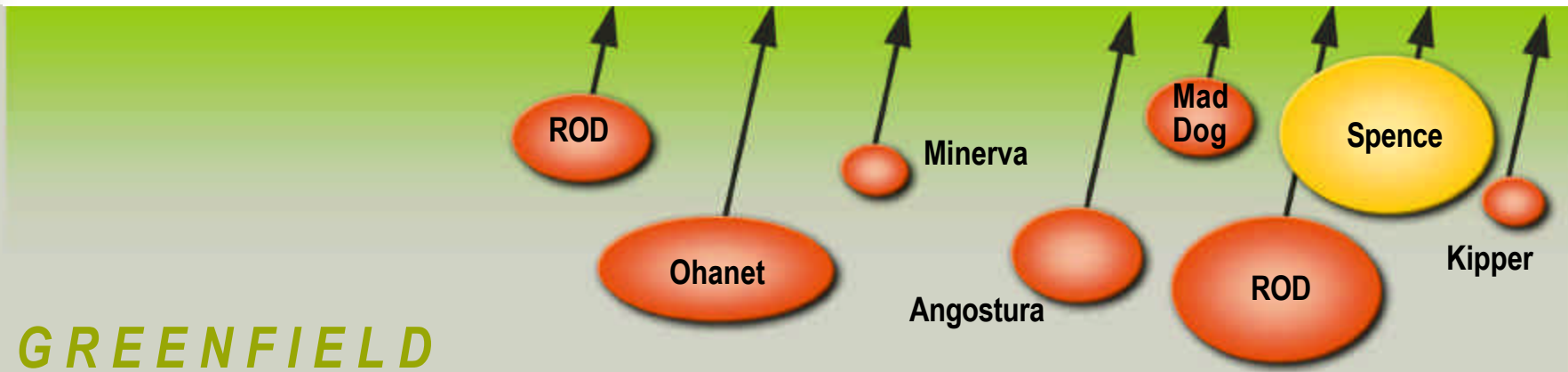
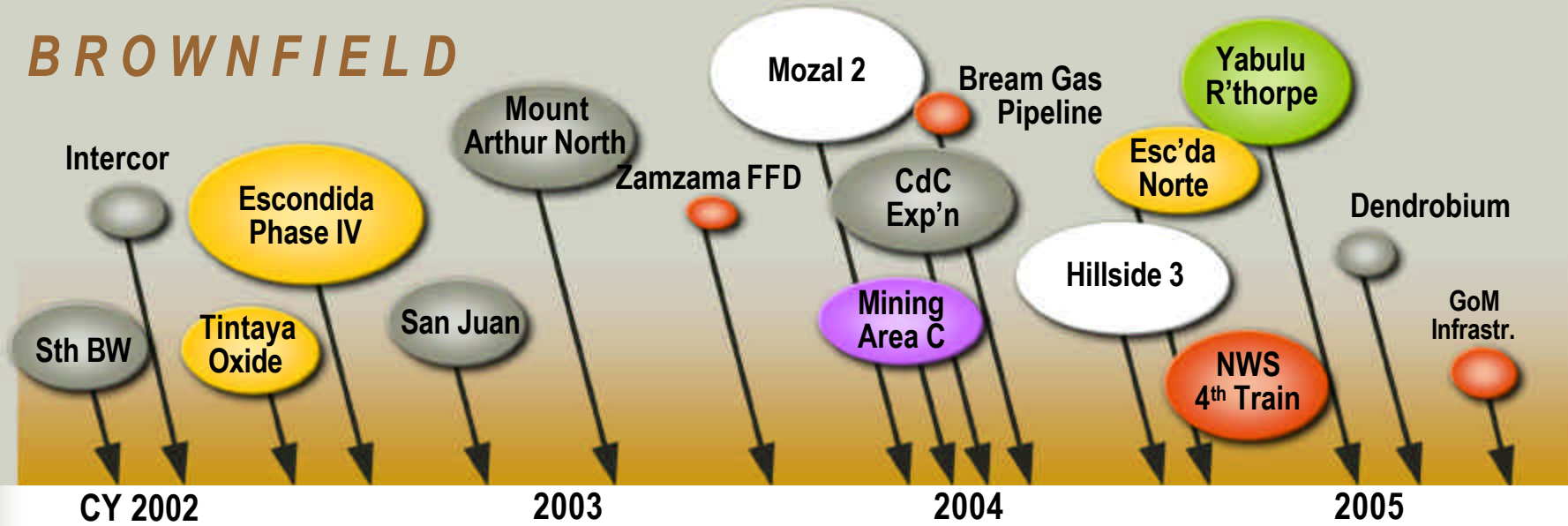
- Investment judgement.
Project management skills.

Performance Measures (How the market should judge us)

- Decide/implement projects (potential US\$10B by FY2006)

Sample of new look

BROWNFIELD



GREENFIELD

Note:
Size of bubble indicates
proposed capital expenditure

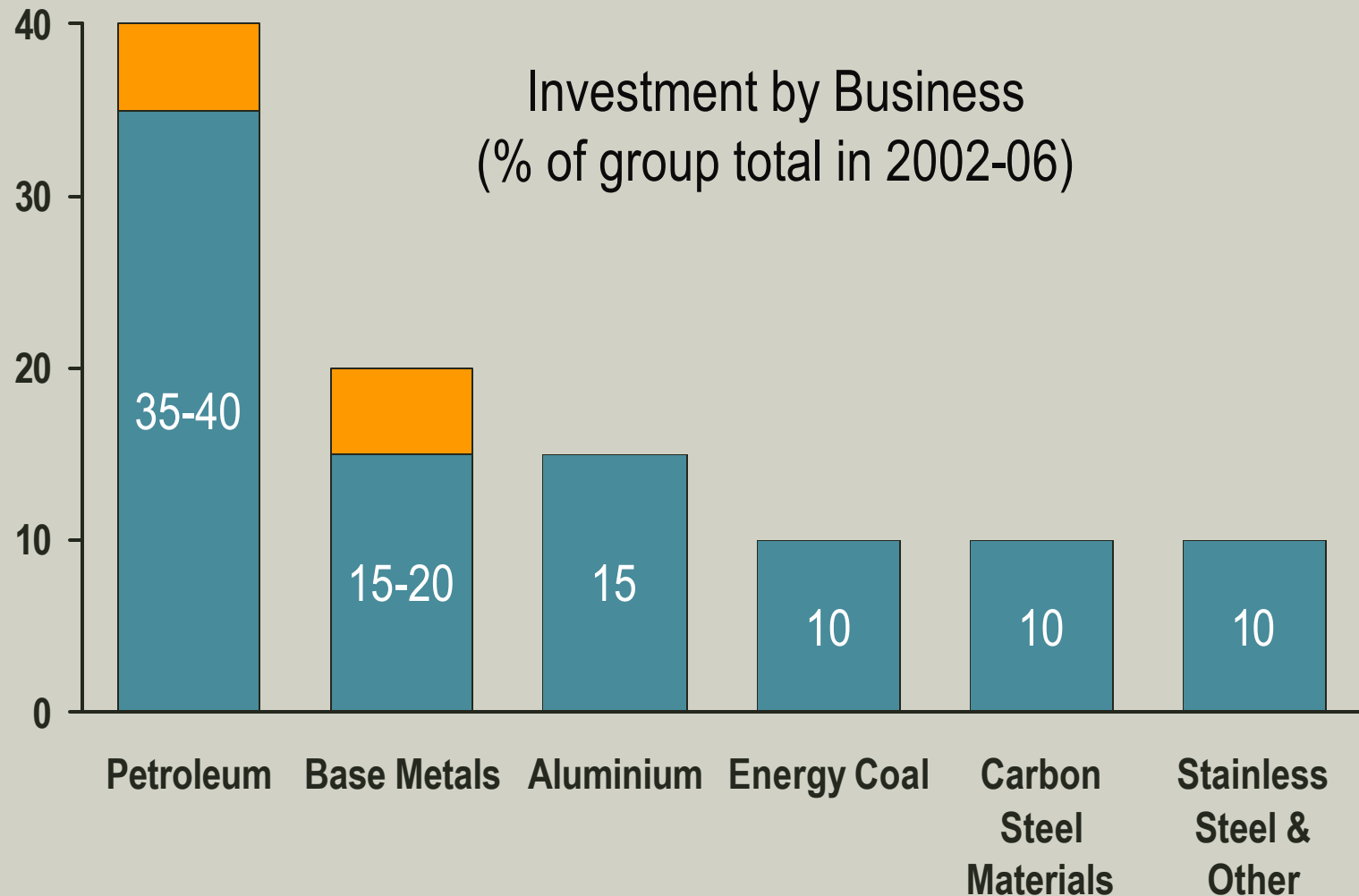


- Coal
- Aluminium
- Copper
- Nickel
- Iron Ore
- Oil and Gas



Pursuit of high value growth

...US\$10 billion in growth projects



* Indicative data only

V. Growth From Petroleum

Strategic Imperatives (What we have to get right)

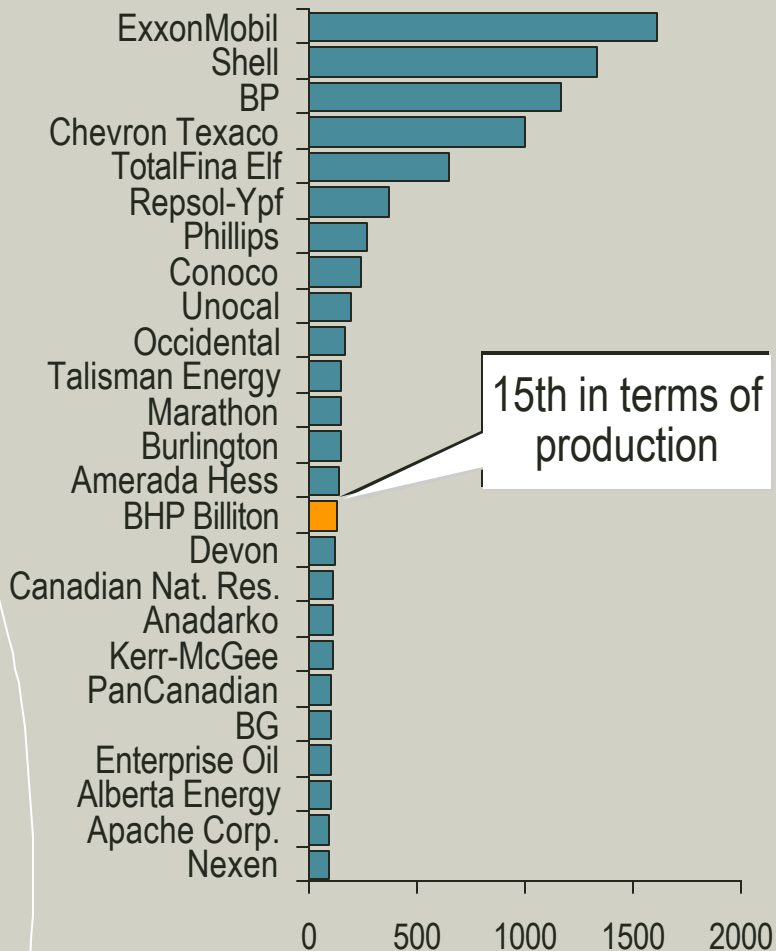
- Value adding growth

Performance Measures (How the market should judge us)

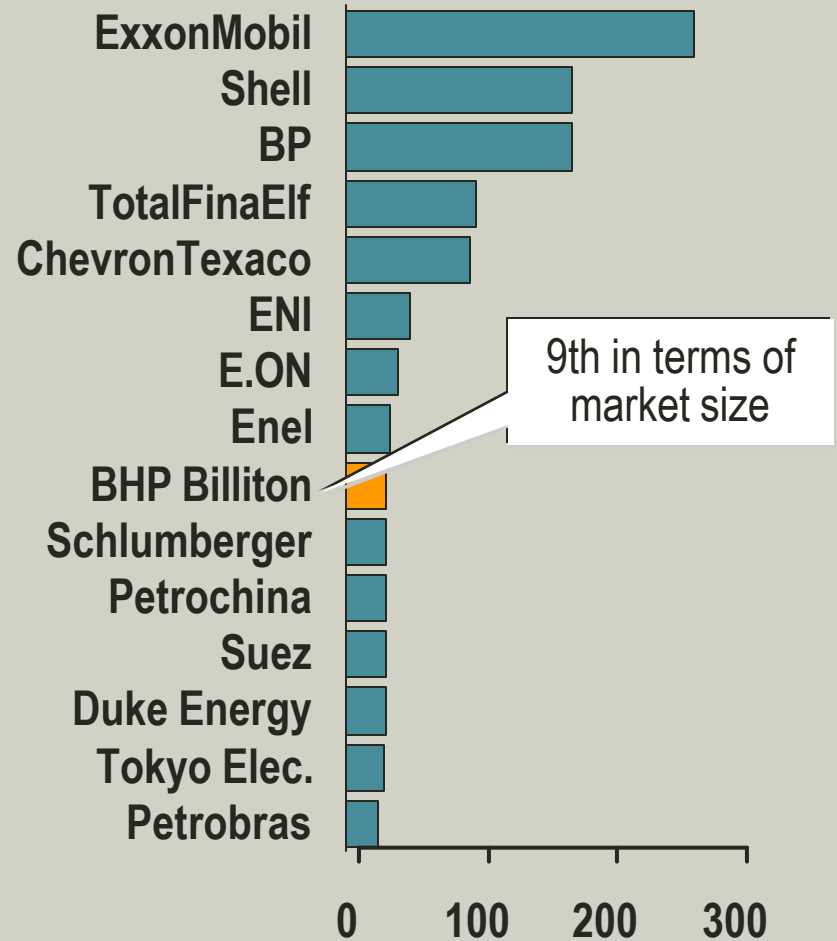
- Low discovery costs.
Growing reserves and production.

Petroleum's Industry Ranking

Production (Mmboe)



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



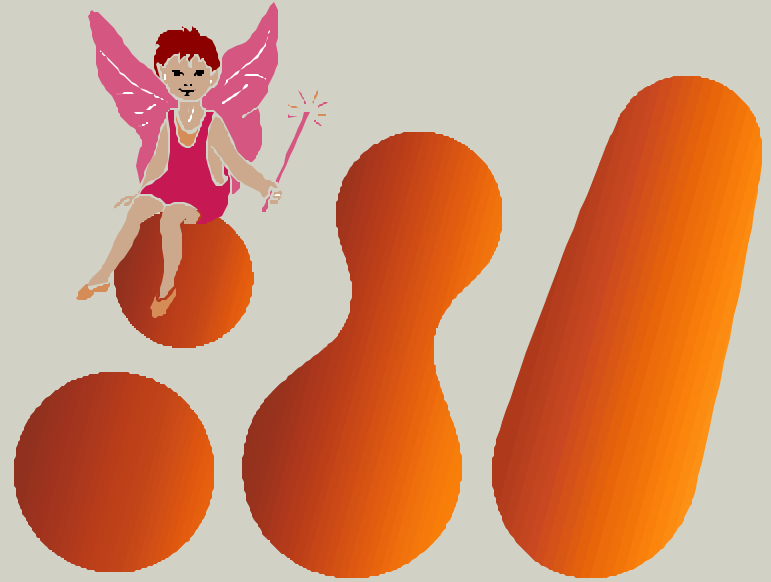
Source: BHPB Petroleum. Excludes oil companies with state ownership

VI. Growth Through Innovation

Our vision...

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

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



bhpbilliton

| VALUE DRIVERS (What distinguishes us from others) | STRATEGIC IMPERATIVES (What we have to get right) | PERFORMANCE MEASURES (How the market should judge us) |
|---|---|--|
| I Stability From Outstanding Assets | <ul style="list-style-type: none"> Operating excellence. | <ul style="list-style-type: none"> Cut operating costs by 2% p.a. on average for 3 yrs. (US\$500M FY03-05) Improved EBIT and FCF. EBIT SVA. Return on Capital >15% by FY2006. |
| II Stability From The Portfolio Effect | <ul style="list-style-type: none"> Portfolio management. Funding and capital management. | <ul style="list-style-type: none"> Credit rating of 'A' or better. Positive Cash Flow each year. EBITDA/Interest coverage > 8x (gearing 35% -40%) |
| III Stability & Growth From Customer-centric Marketing | <ul style="list-style-type: none"> Serving customers best. | <ul style="list-style-type: none"> Preferred supplier status. Global marketing and trading. |
| IV Growth From Deep Inventory of Projects | <ul style="list-style-type: none"> Investment judgement. Project management skills. | <ul style="list-style-type: none"> Decide/implement projects (potential US\$10B by FY2006) |
| V Growth From Petroleum | <ul style="list-style-type: none"> Value adding growth. | <ul style="list-style-type: none"> Low discovery costs. Growing reserves and production. |
| VI Growth Through Innovation | <ul style="list-style-type: none"> Creative thinking. Commercial judgement. Transaction execution. | <ul style="list-style-type: none"> New initiative's as opportunities arise. |