

BHP Billiton

Presentation to the financial community

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BHP Billiton

Strength – Flexibility – Growth



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BHP Billiton - the creation of value

- ◆ One of the largest diversified resource groups
- ◆ Global scale with high quality portfolio
- ◆ Diversity in products, markets and geography reduces risk
- ◆ Optimising value from the growth pipeline
- ◆ Combination of experienced and innovative management teams
- ◆ Significant merger benefits
- ◆ Deal structure improves access to key capital markets
- ◆ Financial strength through powerful cash generation

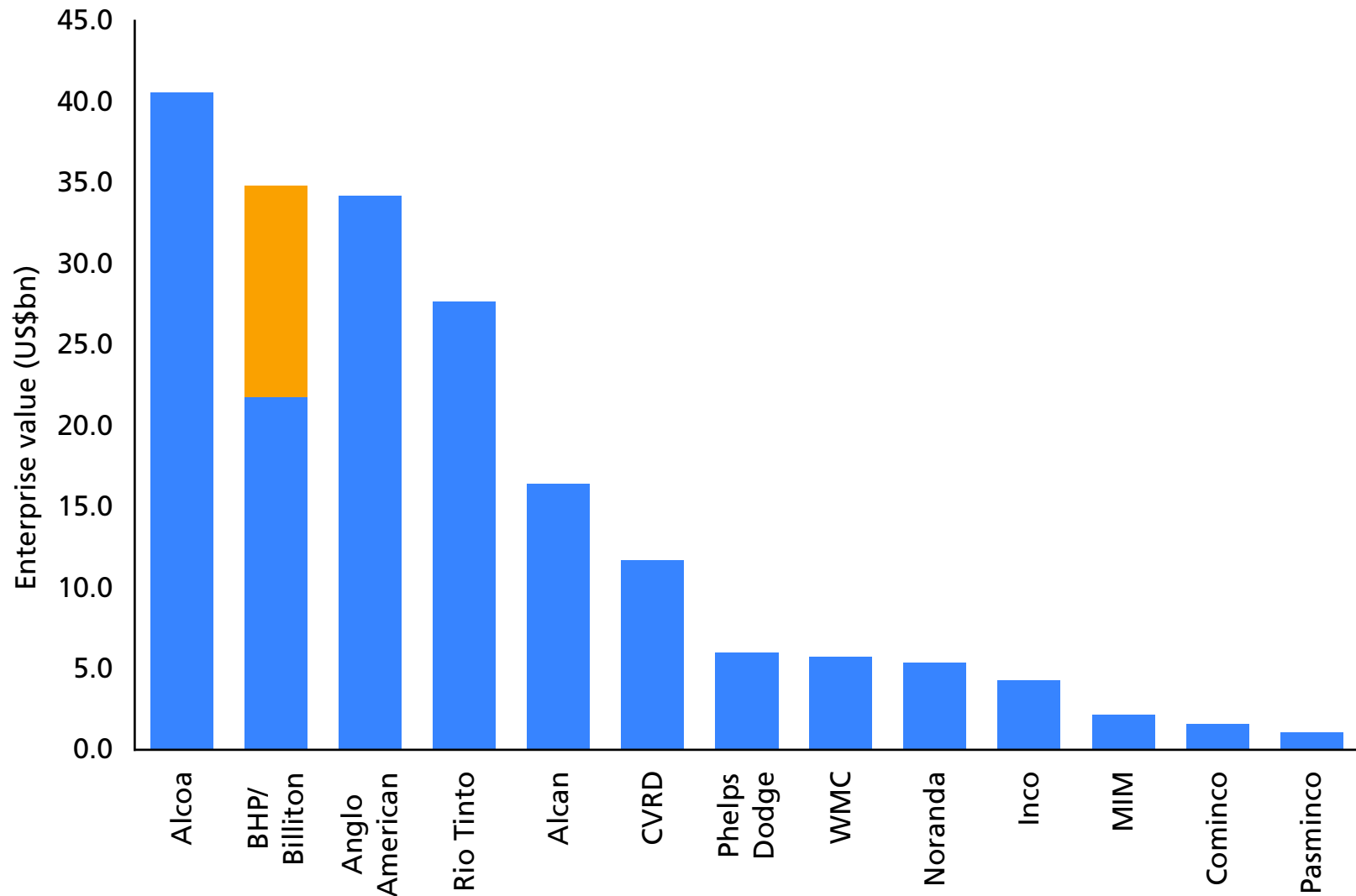
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Global resources groups

One of the largest diversified resources groups



Source: UBS Warburg estimates, Bloomberg (as at 15 March 2001)



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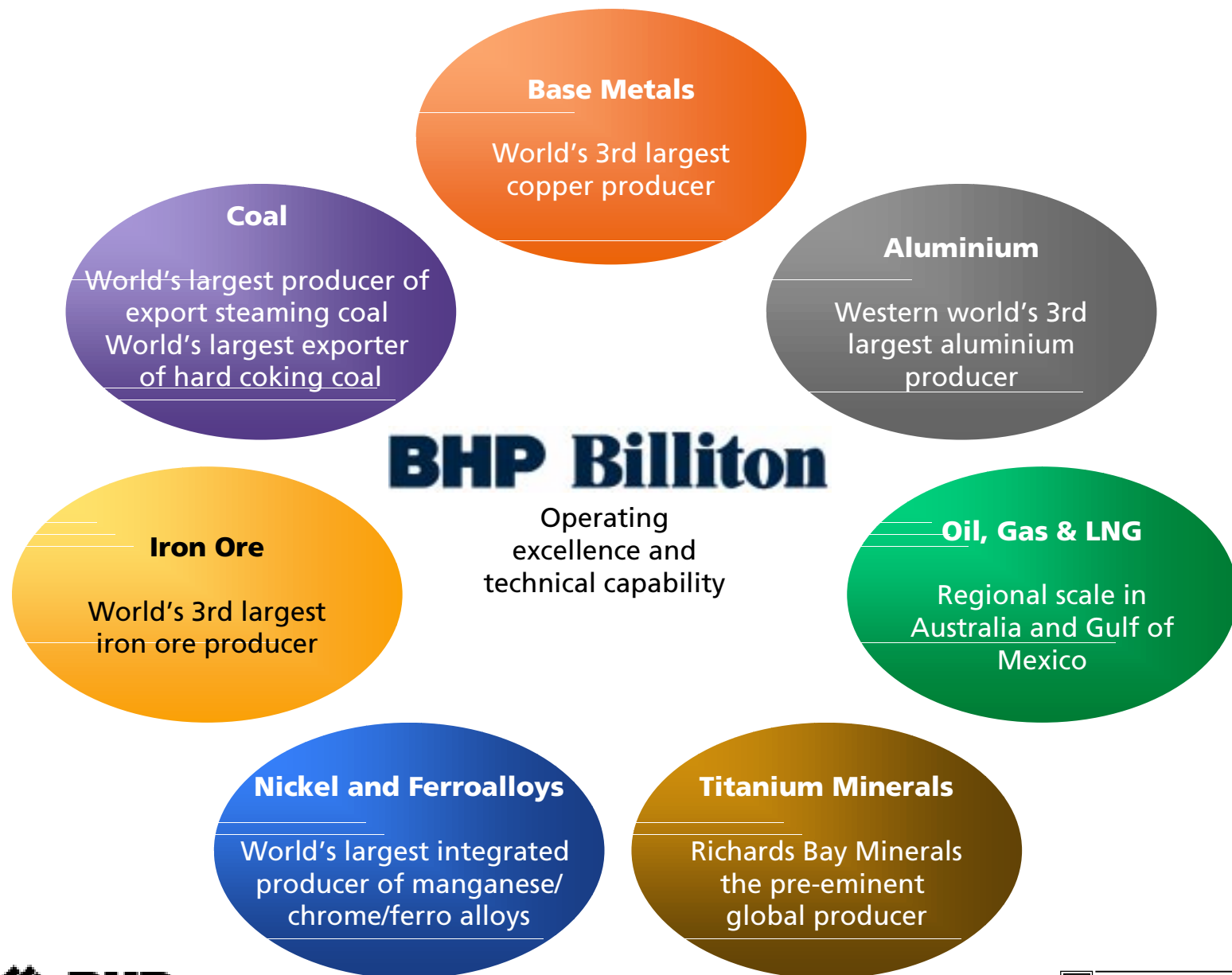
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- ◆ Significant merger benefits

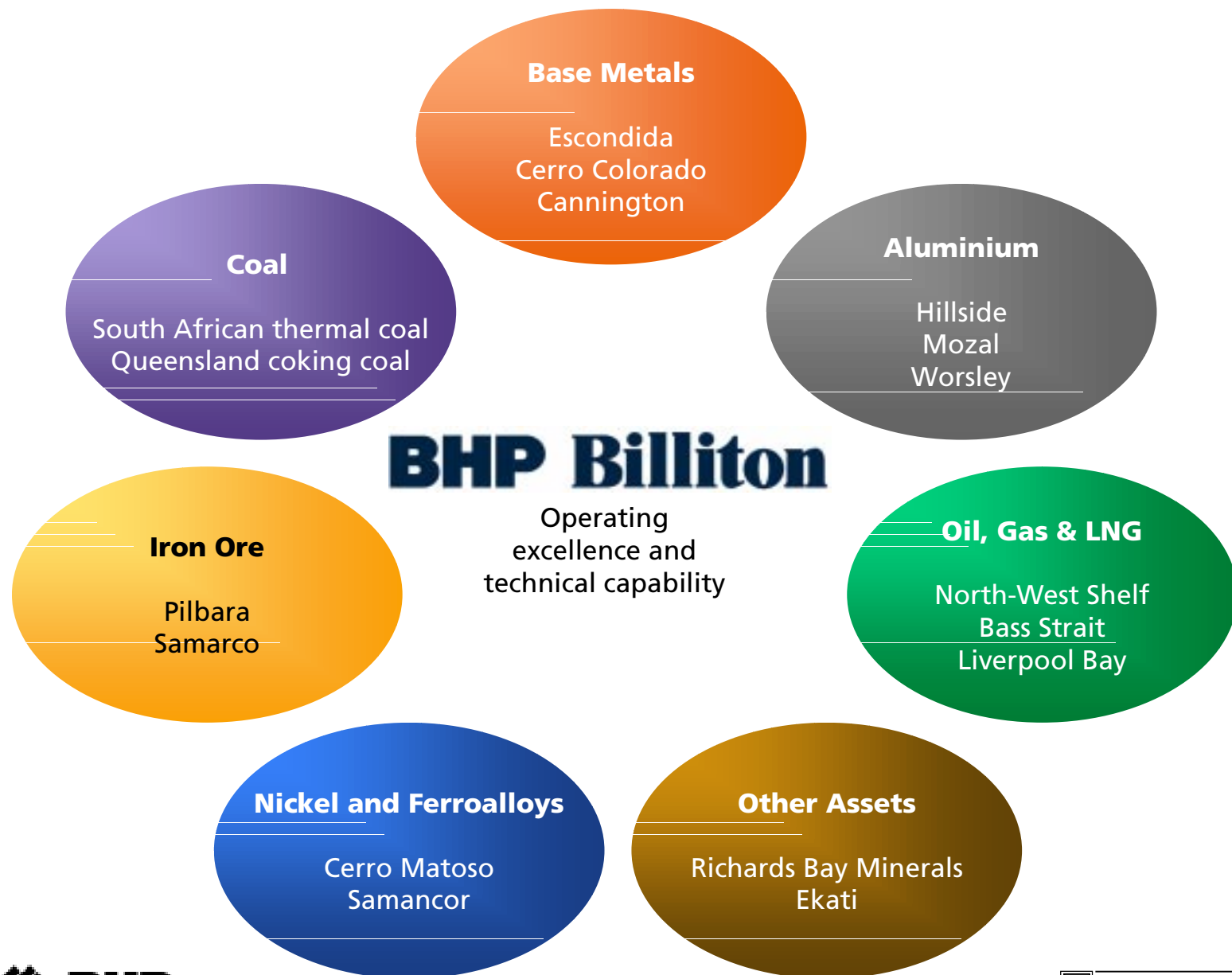
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Global scale - high quality portfolio



Global scale - long life, low cost assets

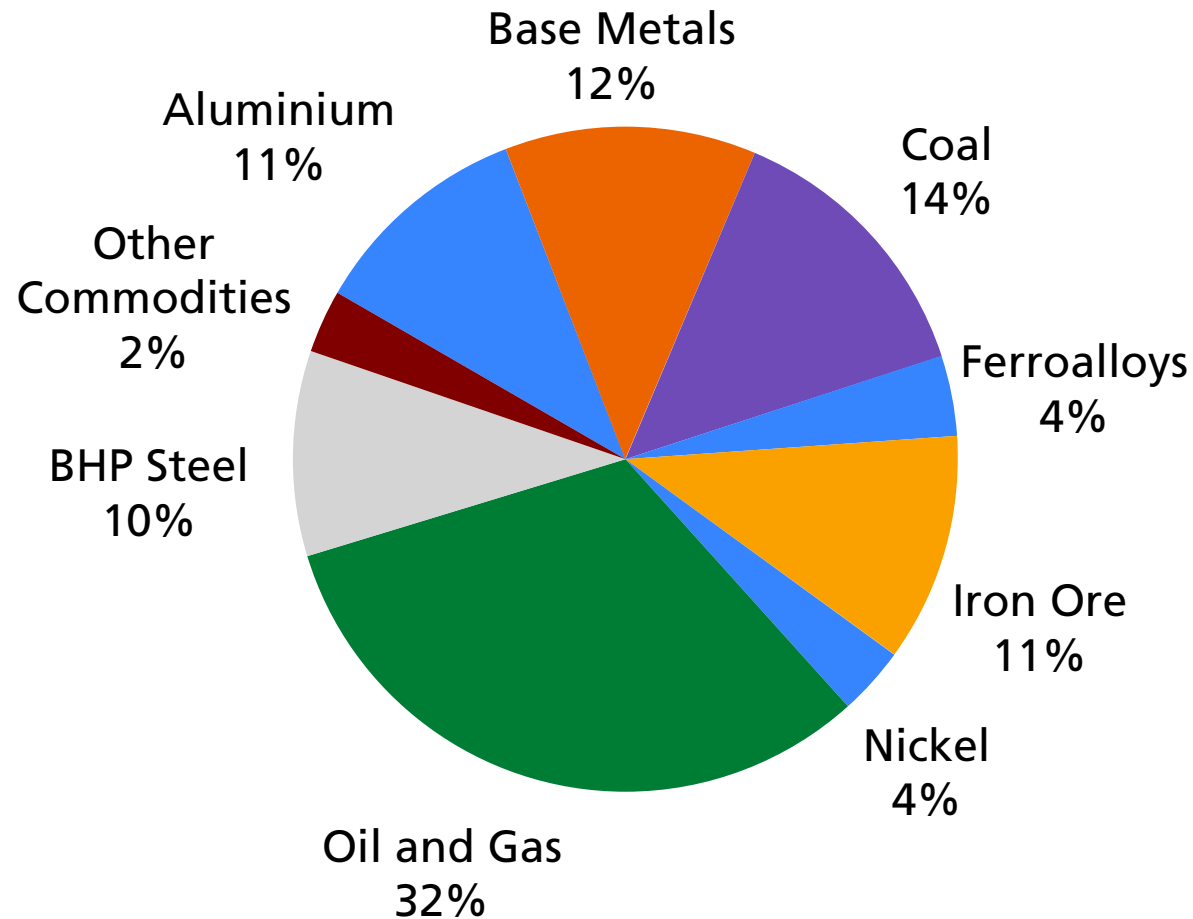


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Outstanding commodity diversification

EBIT¹ 12 months ended 31 Dec 2000

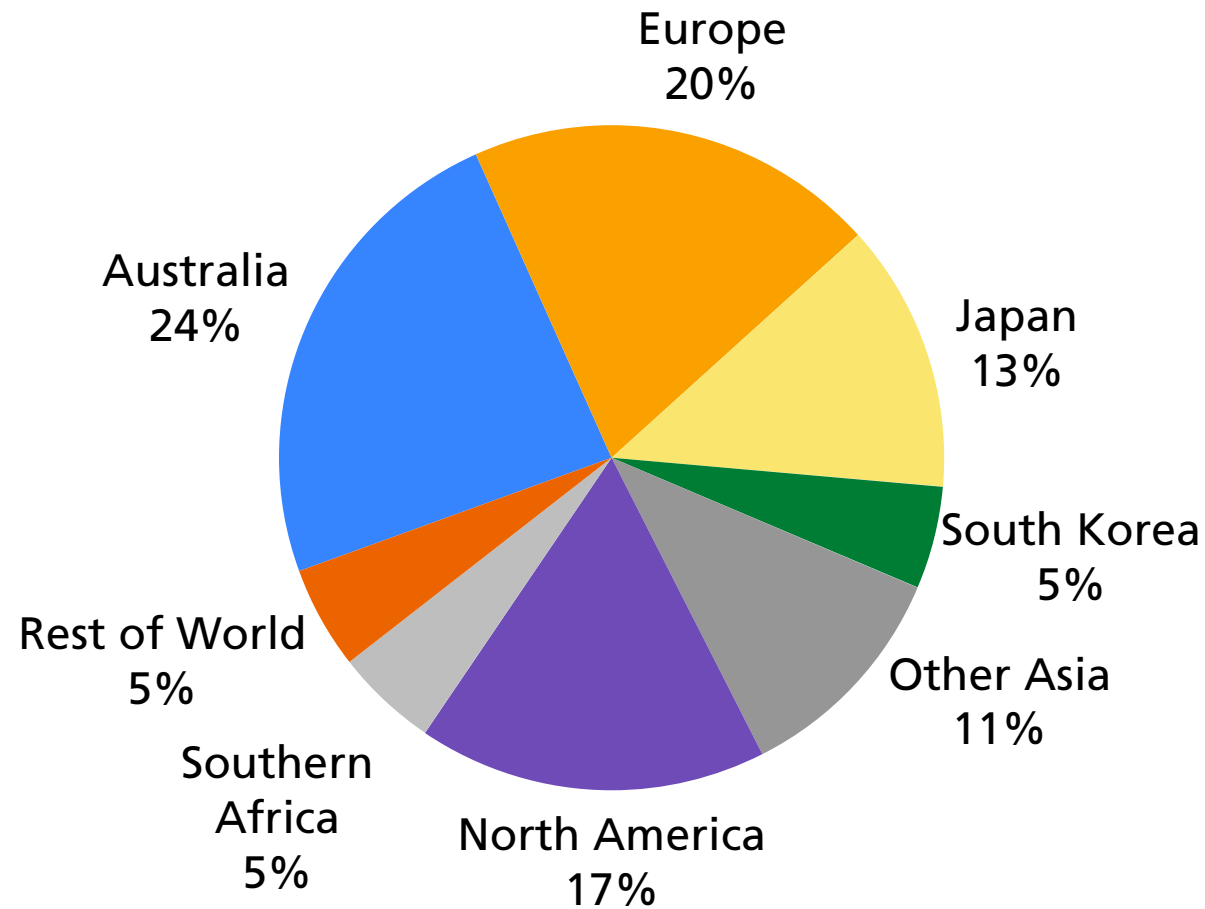


Note:

1 Excludes Other of (US\$0.6bn)

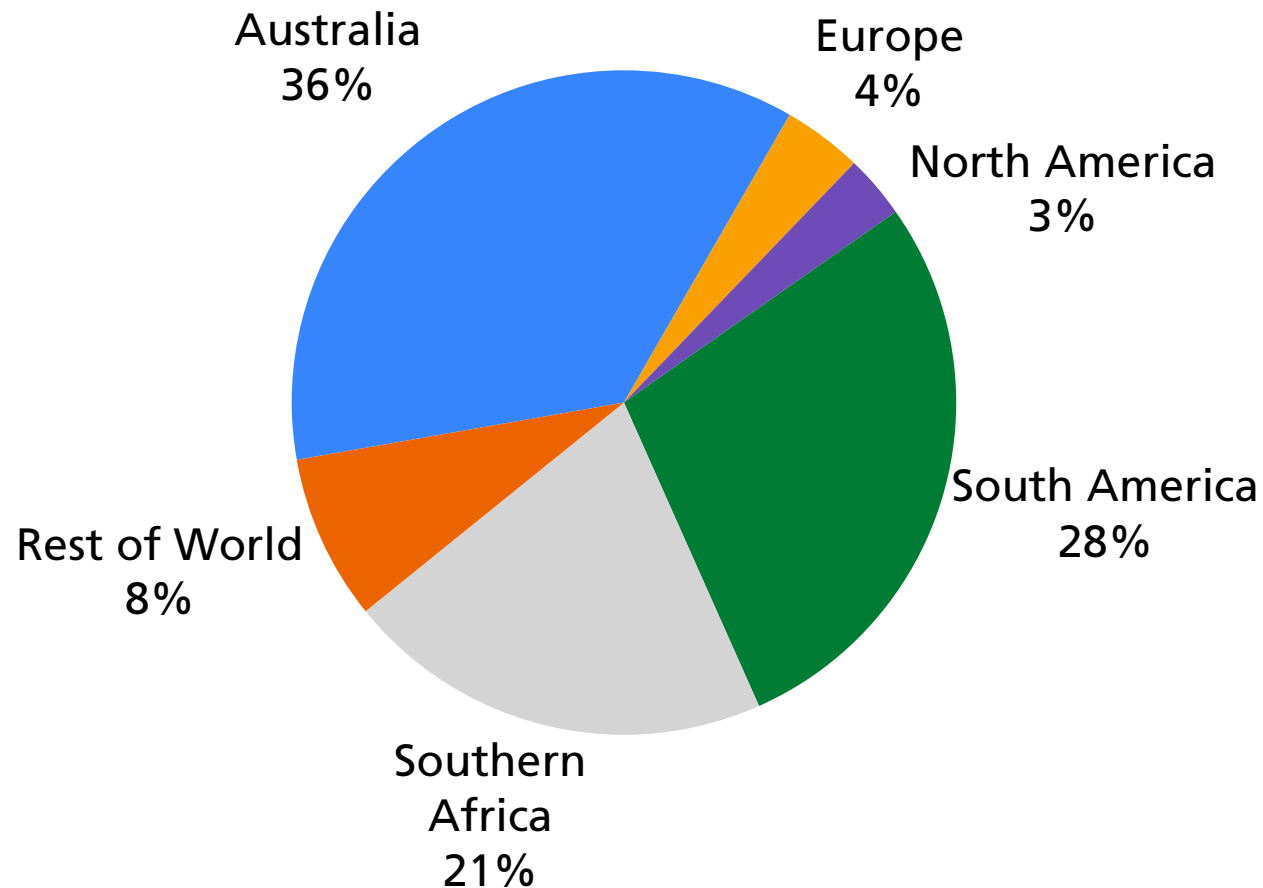
Balanced exposure to major economies

Combined sales by destination



Diversified geographical profile

Net operating assets by region as at 31 Dec 2000



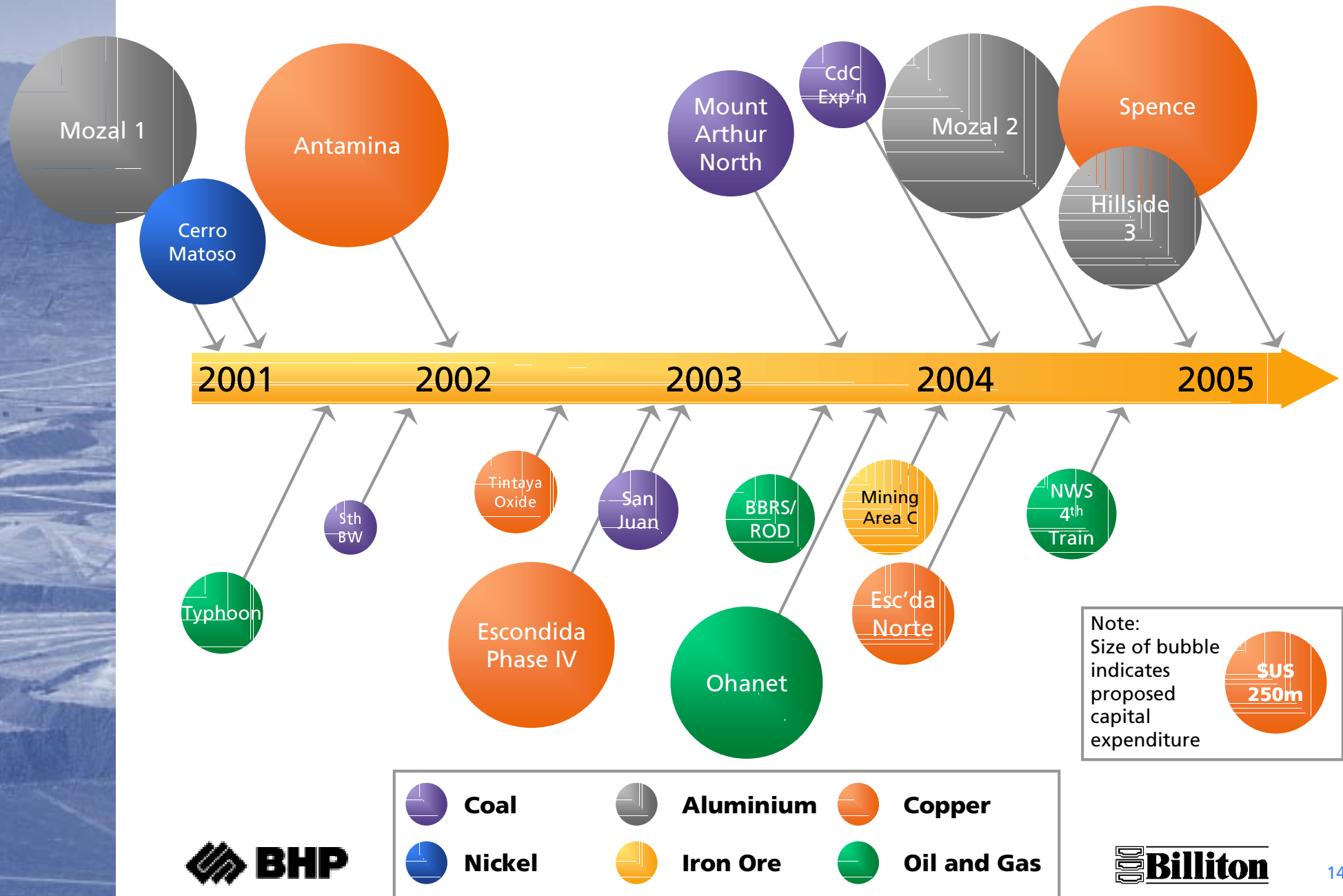
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Exciting growth project portfolio



Combination of asset and cash rich portfolios

- ◆ Combined capital expenditure for growth US\$7-8 billion estimated to FY 2005
- ◆ Combined EBITDA of US\$4.9 billion (A\$8.7 billion) in CY 2000
- ◆ Combined operating cash flow generated in CY 2000 was US\$4.6 billion (A\$8.2 bn) prior to expected strong contribution from expansion projects
- ◆ Wealth of growth opportunities permits optimisation of timing and delivery
- ◆ Large scale opportunities can be accessed globally and pursued successfully whilst managing risks

BHP Billiton - the creation of value

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- ◆ Diversity in products, markets and geography reduces risk
- ◆ Optimising value from the growth pipeline
- ◆ **Combination of experienced and innovative management teams**
- ◆ Significant merger benefits
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Board and management capabilities

- ◆ Combined Board has recognised global leaders with specialist knowledge across minerals and petroleum
- ◆ Senior management teams of both BHP and Billiton have outstanding track records in delivering shareholder value
- ◆ Since Paul Anderson's arrival BHP management have delivered
 - rationalisation and disposal of assets totalling A\$7.0bn
 - cost savings exceeding A\$1.0bn in FY1999 and FY2000
 - major growth programme with A\$3.8bn committed to date
- ◆ Since listing on the LSE in 1997, Billiton has
 - become a major resource player
 - completed value-adding acquisitions through minority buy-outs, the purchase of Rio Algom and additional equity in Worsley
 - delivered capital projects under budget and ahead of schedule

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Significant merger benefits

- ◆ Merger benefits are expected to deliver some US\$270 million pre-tax in FY2003
- ◆ Further benefits expected in subsequent years
- ◆ Major drivers of savings anticipated to be:
 - Economies of scale
 - Procurement
 - Shared business services
 - Market services and ocean freight
 - Business specific
 - Apply best practice across portfolio
 - Focused exploration
 - Duplication
- ◆ Savings supplemented by optimisation opportunities available within a broader portfolio
- ◆ Integration team appointed

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Transaction structure

- ◆ Creation of dual listed company structure with primary listings on London and Australian stock exchanges
- ◆ Unified management and board
- ◆ BHP and Billiton legal entities remain intact - managed as a single unified business
- ◆ No shareholder in either company will need to exchange or tender their shares
- ◆ To equalise the interests of BHP and Billiton shareholders, BHP will make a bonus issue of 1.0651 additional shares for each existing BHP share
- ◆ Headquarters in Melbourne; major corporate management centre in London; other offices in Johannesburg, Houston
- ◆ Confidence that regulatory approvals will be forthcoming

Benefits of merger structure

- ◆ Delivers benefits of cross-border merger without negative “flowback” effects
- ◆ Trading liquidity and indexation across three major stock exchanges
- ◆ Enhanced access to international capital markets and two scrip acquisition currencies from two primary listings
- ◆ Neither company’s shareholders required to exchange or tender their existing shares
- ◆ No change in ownership issues (pre-emptions)
- ◆ Shareholders to continue to receive dividends from the company they currently own
- ◆ Post merger boards will consider an opportunity for BHP shareholders to exchange BHP shares for Billiton shares

BHP Steel

- ◆ Steel's position in portfolio has been under consideration by BHP's Board for some time
- ◆ High quality, low cost business with a leading position in coated products
- ◆ Spin-out will guarantee continued management focus and attention
- ◆ Intended to be effected by end 2002
- ◆ BHP shareholders will receive the economic benefit of separation, Billiton shareholders will receive an appropriate equalisation benefit

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Financial reporting

- ◆ BHP Billiton to constitute a single group and intend to present unified accounts using merger accounting principles
- ◆ US dollar currency
- ◆ 30 June year-end
- ◆ Intend to prepare in accordance with UK GAAP, with reconciliations to Australian and US GAAP
- ◆ Will prepare any other financial information to meet UK or Australian requirements

Financial strength - pro forma financial data

12 months ended 31 December 2000

UK GAAP	US\$bn	A\$bn
Total revenues	18.6	32.8
EBITDA	4.9	8.7
EBIT	3.3	5.9
Net profit	2.0	3.6
Operating cash flow	4.6	8.2
EBIT margin %	18%	18%

Note: Based on P&L exchange rate US\$:A\$ of 0.5655

Financial strength - pro forma financial data

As at 31 December 2000

UK GAAP	US\$bn	A\$bn
Attributable net assets (equity)	11.9	21.5
Net debt	6.1	11.0
Net debt / equity	51.3%	51.3%
Net debt / (net debt + net assets)	32.5%	32.5%
EBIT interest coverage	6.1x	6.1x
EBITDA interest coverage	9.0x	9.0x

Note: Based on Balance Sheet exchange rate US\$:A\$ of 0.5548

Conclusion

Shared vision from an experienced management team...

...to create value through the formation of a premier diversified global resources group

BHP Billiton

Strength – Flexibility – Growth



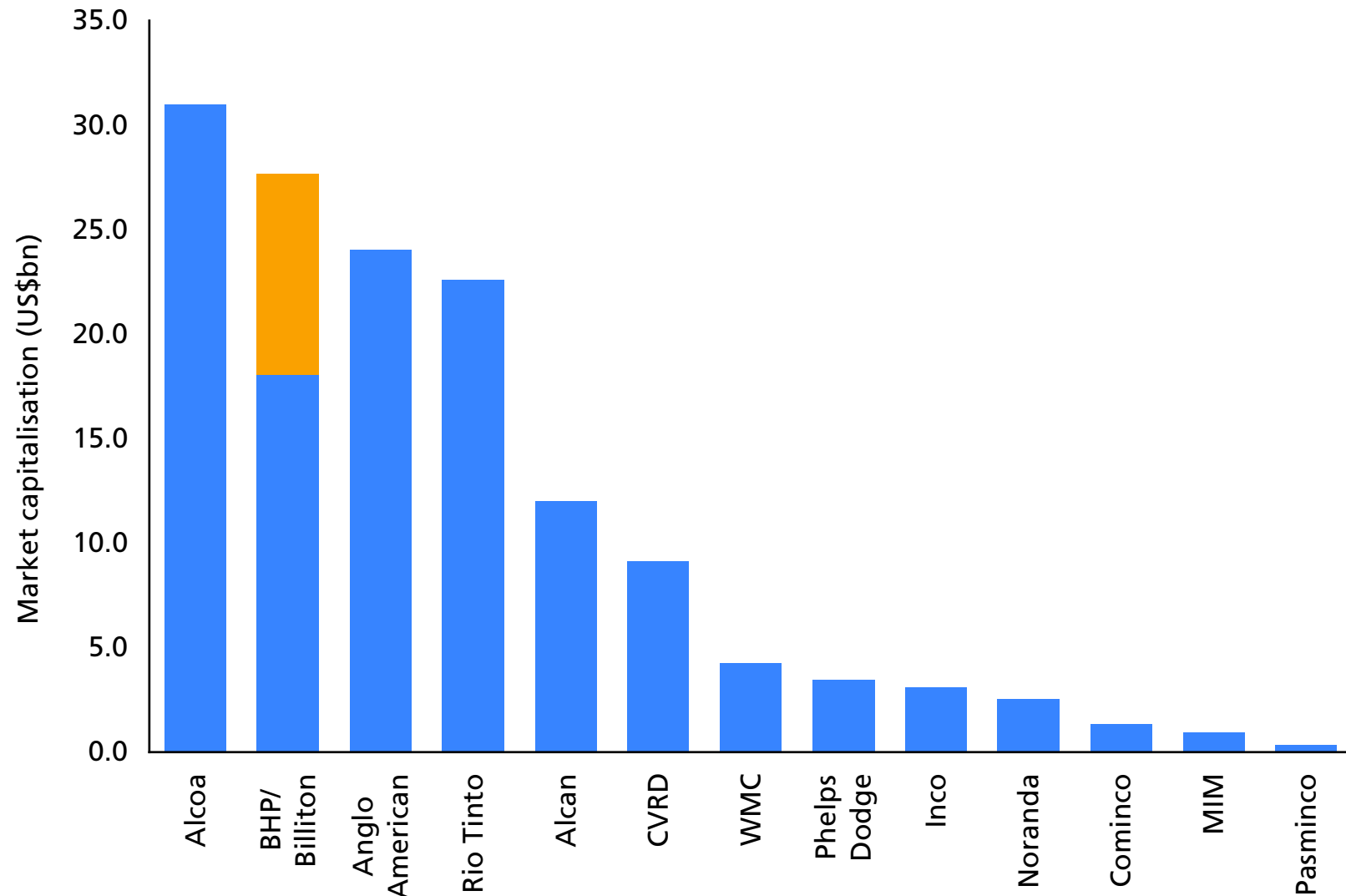
Supporting material

APPENDIX



Global resources companies

One of the largest diversified resources groups

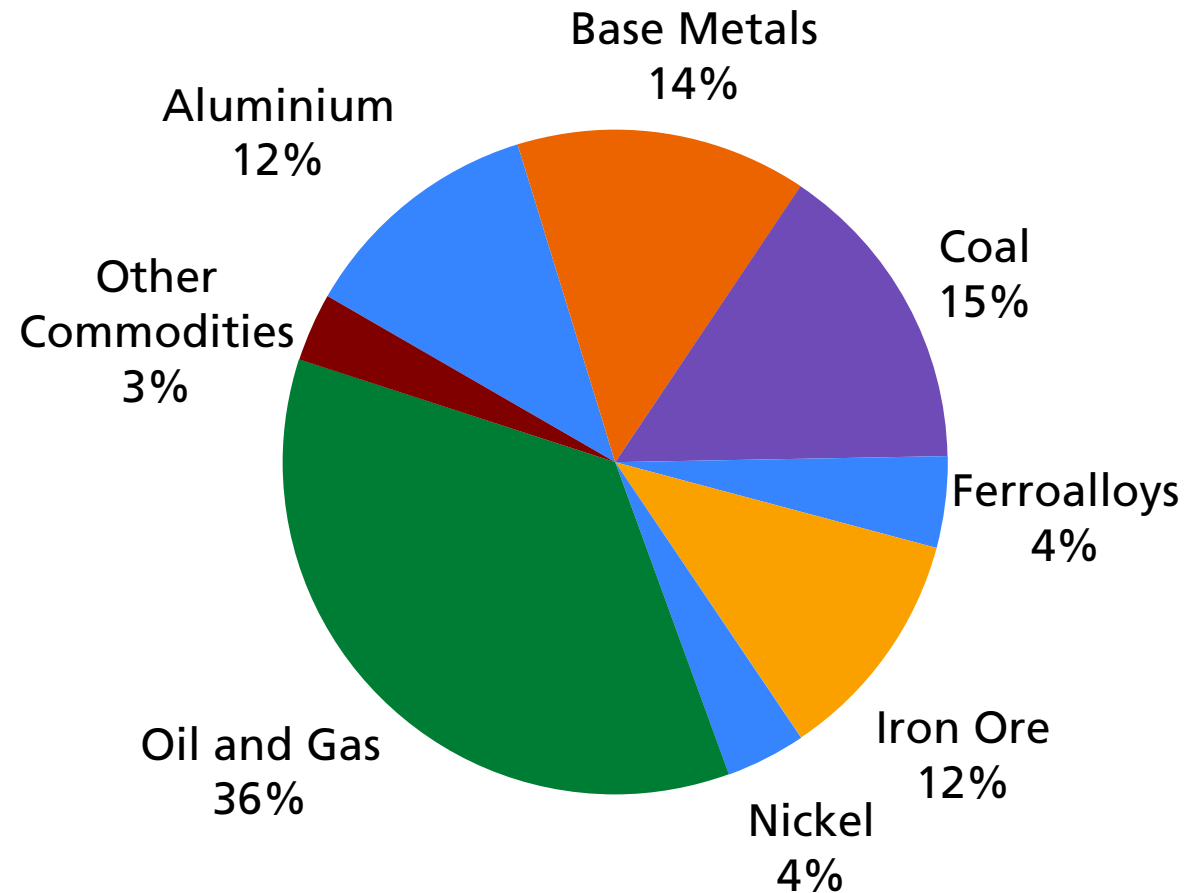


Source: Bloomberg (as at 15 March 2001)



Outstanding commodity diversification

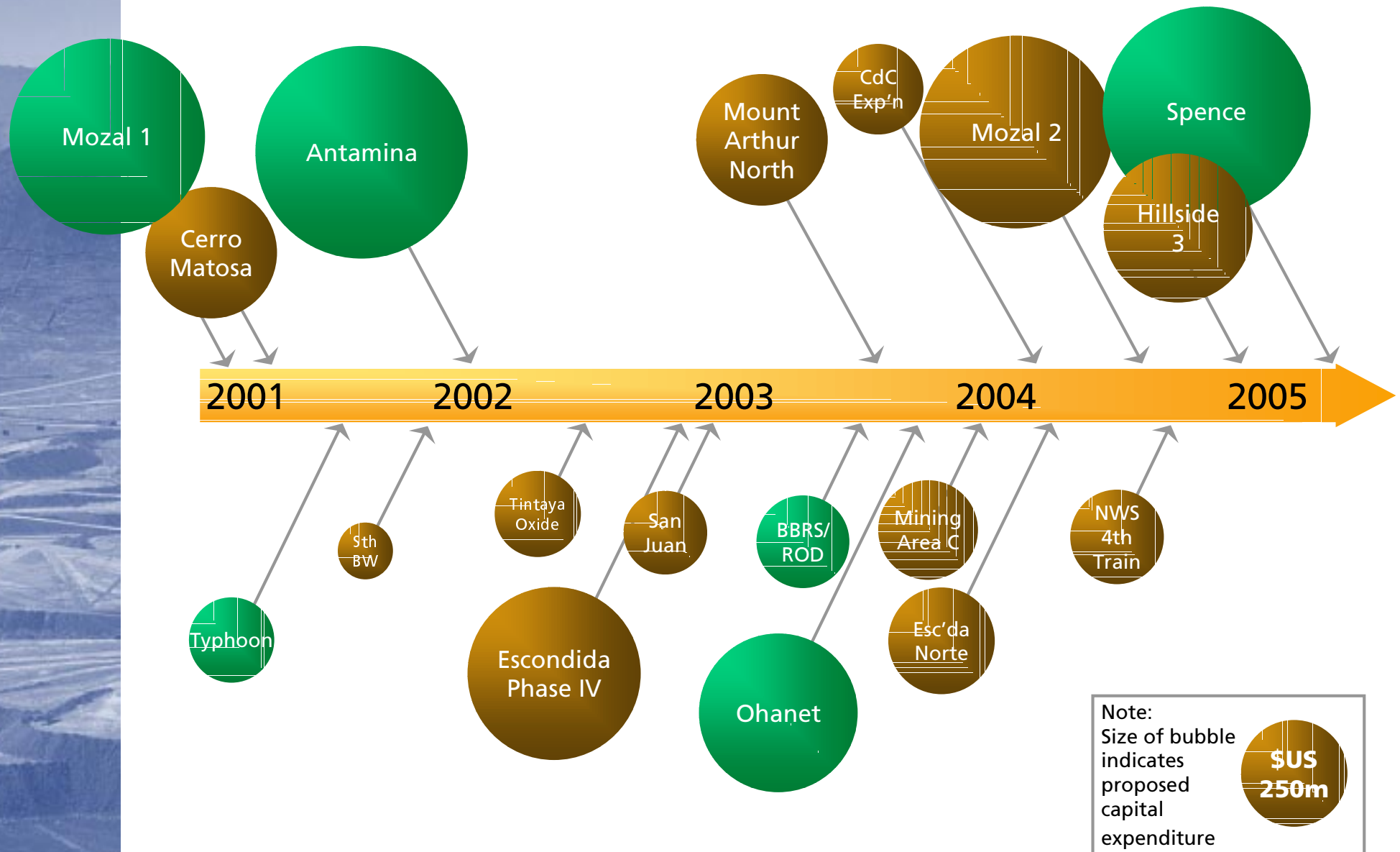
EBIT¹ excluding BHP Steel 12 months ended 31 Dec 2000



Note:

1 Excludes Other of (US\$0.6bn)

Growth projects – greenfield and brownfield



Strong organic growth profile - Copper

Asset/project	Share of Production (tonnes/year)	Location	Stage of development	Start date
Escondida	530,000	Chile	Producing	
Cerro Colorado	119,000	Chile	Producing	
Tintaya	90,000	Peru	Producing	
Antamina (Cu/Zn)	103,000	Peru	Committed	2001
Tintaya Oxide	34,000	Peru	Committed	2002
Escondida Phase IV	270,000	Chile	Committed	2002
Escondida Norte		Chile	Planned	2004
Spence		Chile	Planned	2005
Tintaya Antapaccay		Peru	Potential	tba
La Granja		Peru	Potential	tba

Notes:

- 1 For producing assets, Share of Production is based on actual results for FY2000 adjusted, where appropriate, for subsequent changes in equity and production capacity
- 2 For projects, production levels are indicative

Strong organic growth profile - Aluminium

Asset/project	Share of Production (tonnes/year)	Location	Stage of development	Start date
Worsley (Alumina)	2,600,000	Australia	Producing	
Suriname (Alumina)	858,000	Suriname	Producing	
Alumar (Alumina)	447,000	Brazil	Producing	
Hillside	494,000	Sth Africa	Producing	
Bayside	177,000	Sth Africa	Producing	
Mozal	125,000	Mozambique	Producing	
Alumar Smelter	172,000	Brazil	Producing	
Mozal II	125,000	Mozambique	Planned	2004
Hillside III	130,000	Sth Africa	Planned	2004
Worsley Expansion		Australia	Potential	tba

Notes:

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Strong organic growth profile - Coal

Asset/project	Share of Production (mtpa)	Location	Stage of development	Start date
Queensland	29	Australia	Producing	
Ingwe	66	Sth Africa	Producing	
Illawarra	7	Australia	Producing	
New Mexico	15	USA	Producing	
CdC & CZN	4	Colombia	Producing	
South Blackwater Integration	3	Australia	Committed	2001
San Juan Underground	7	USA	Committed	2003
Mount Arthur North	15	Australia	Planned	2003-07
CdC Expansion		Colombia	Planned	2003-07
Goonyella Underground		Australia	Potential	tba

Notes:

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- 2 For projects, production levels are indicative

Strong organic growth profile - Oil & Gas

Asset/project	Location	Stage of development	Start date
Bass Strait	Australia	Producing	
North West Shelf	Australia	Producing	
Liverpool Bay	UK	Producing	
Typhoon	USA	Committed	2001
Ohanet	Algeria	Committed	2003
BBRS/ROD	Algeria	Committed	2003
North West Shelf 4 th Train	Australia	Planned	2004
Mad Dog	USA	Potential	tba
Atlantis	USA	Potential	tba
North West Shelf 5 th Train	Australia	Potential	tba
Zamzama Phase I	Pakistan	Potential	tba

Strong organic growth profile - Iron Ore

Asset/project	Production (mtpa)	Location	Stage of development	Start date
Pilbara	54	Australia	Producing	
Samarco	7	Brazil	Producing	
Mining Area C		Australia	Planned	2004
Yandi Lump		Australia	Potential	tba
Port Expansion		Australia	Potential	tba

Notes:

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- 2 For projects, production levels are indicative

Strong organic growth profile - Other

Asset/Project	Product	Location	Stage of development
Ekati	Diamonds	Canada	Producing
Richards Bay Minerals	Mineral sands	Sth Africa	Producing
Cerro Matoso Refinery	Nickel, Cobalt	Colombia	Producing
Yabulu Refinery	Nickel, Cobalt	Australia	Producing
Ravensthorpe	Nickel concentrate	Australia	Potential
Yabulu Expansion	Nickel, Cobalt	Australia	Potential

Management team

- ◆ CEO - Paul Anderson
- ◆ Deputy CEO - Brian Gilbertson
- ◆ Chief Financial Officer - Chip Goodyear
- ◆ Chief Development Officer - Mick Davis
- ◆ Chief Executive Minerals - Mike Salamon
- ◆ Chief Executive Petroleum - Phil Aiken
- ◆ Chief Executive Steel - Kirby Adams
- ◆ Chief Legal Counsel - John Fast

DLC structure

