

PRELIMINARY RESULTS

7 August 2002



PRELIMINARY RESULTS

Brian Gilbertson

CEO & Managing Director



Preliminary results highlights

(US\$M)	2002	2001	% Change
Turnover ⁽¹⁾	17,778	19,079	-6.8
EBITDA ⁽¹⁾⁽²⁾	4,915	5,299	-7.2
EBIT ⁽¹⁾⁽²⁾	3,188	3,627	-12.1
Attrib profit (excl exceptionals)	1,934	2,189	-11.6
Exceptional items	(244)	(660)	
Attrib profit (incl exceptionals)	1,690	1,529	10.5
Operating cash flow ⁽³⁾	3,918	3,837	2.1
EPS (US cents) ⁽²⁾	32.1	36.8	-12.8

(1) Including share of joint ventures and associates

(2) Excluding exceptional items

(3) Including dividends from joint ventures and associates and after net interest and tax

The first 12 months – progress and achievements

- Merger integration successfully completed
- Business model developed and CSG organisation in place
- Marketing hubs operational
- US\$2.9 billion of new projects sanctioned
- Portfolio management – Arutmin, Columbus, Ekati
- Strategic framework launched
- Financing plan initiated – Credit Facility, MTN's
- Steel de-merger complete

BHP Steel de-merger complete

- Strong demand for BHP Steel shares
- Final pricing for offer A\$2.80
- Strong interest following initial listing
- Debt repayment of US\$320 million to BHP Billiton
- Raised US\$75 million from 6% sale
- Bonus issue of approximately 149 million new Plc shares

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Chris Lynch

Chief Financial Officer



Preliminary results highlights

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Turnover by CSG – year ended 30 June

(US\$M)	2002	2001	% Change
Aluminium	2,857	2,971	-4
Base Metals	1,821	1,719	6
Carbon Steel Materials	3,306	3,349	-1
Stainless Steel Materials	868	994	-13
Energy Coal	1,919	1,982	-3
Diamonds & Spec Products	1,469	1,308	12
Petroleum	2,815	3,361	-16
Steel	2,785	3,760	-26
BHP Billiton Group ⁽¹⁾	17,778	19,079	-7

(1) Turnover does not add to BHP Billiton Group figures due to inter-segment transactions, Exploration & Technology and Group & unallocated

EBIT by Customer Sector Group – year ended 30 June

Excluding exceptional items

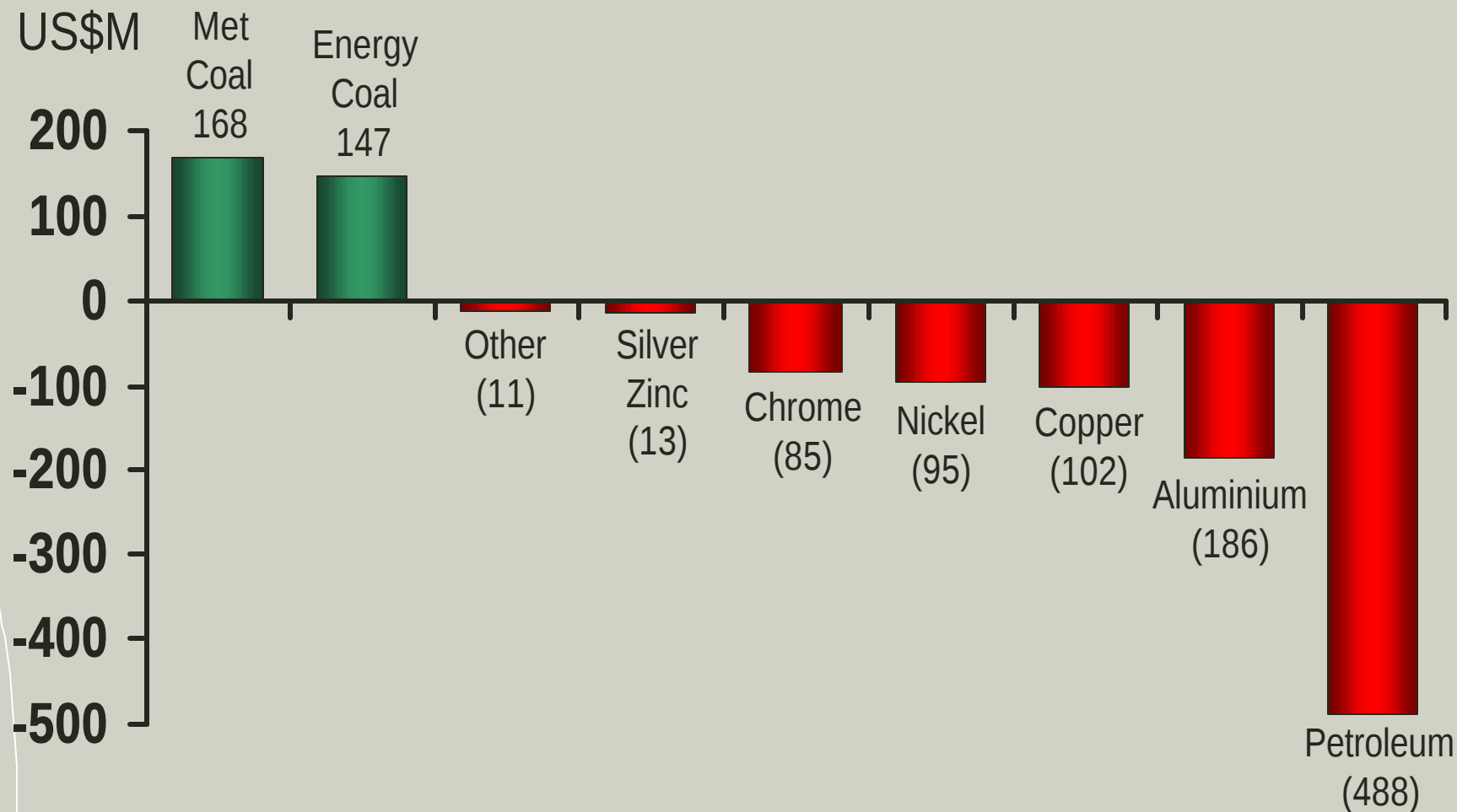
(US\$M)	2002	2001	% Change
Aluminium	492	523	-6
Base Metals	200	462	-57
Carbon Steel Materials	1,084	918	18
Stainless Steel Materials	3	72	-96
Energy Coal	536	382	40
Diamonds & Spec Products	348	310	12
Petroleum	1,073	1,407	-24
Steel	101	270	-63
Exploration & Technology	(76)	(122)	38
Group & unallocated items	(573)	(595)	4
BHP Billiton Group	3,188	3,627	-12

EBIT analysis – excluding exceptional items

Year ended June 2002 v year ended June 2001



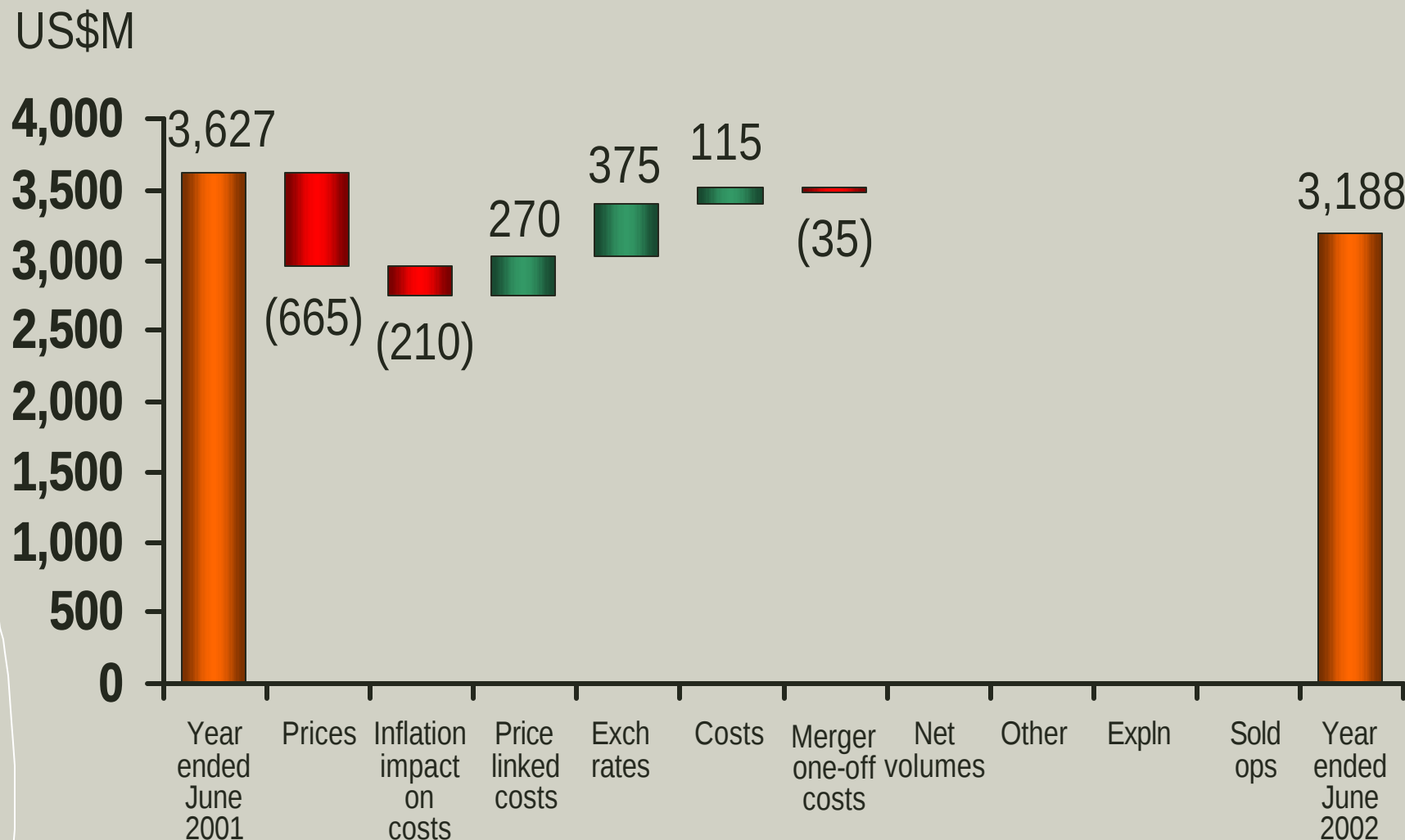
Impact of commodity price changes on EBIT



Excludes impact of price linked costs, which had a favourable impact of US\$270M

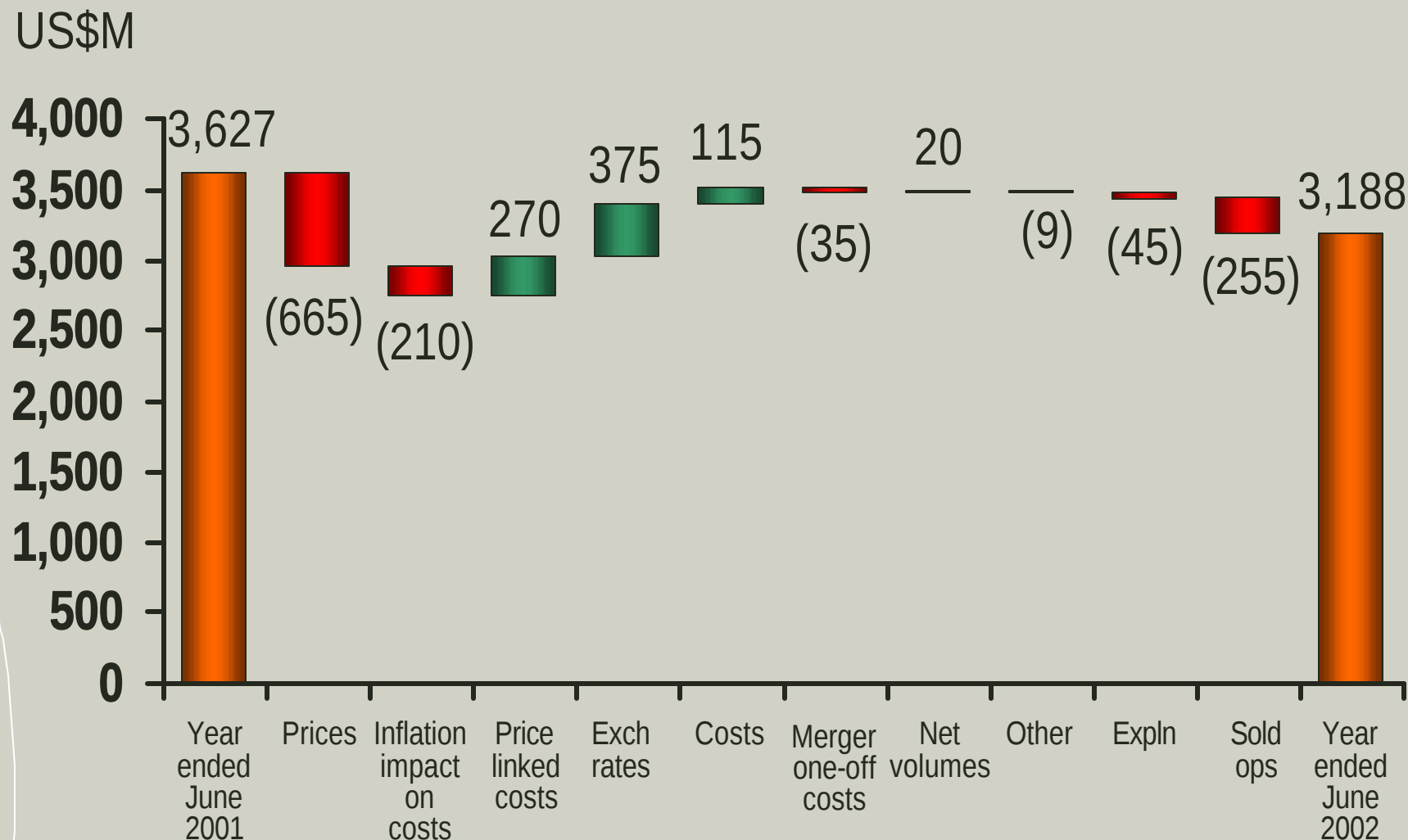
EBIT analysis – excluding exceptional items

Year ended June 2002 v year ended June 2001



EBIT analysis – excluding exceptional items

Year ended June 2002 v year ended June 2001



Exceptional items

(US\$M)	After tax
South West Copper	(101)
Tintaya	(22)
Change in UK tax rate on petroleum operations	(56)
Merger restructuring costs & provisions	<u>(65)</u>
Total	(244)

Net interest

Year ended 30 June (US\$M)	2002	2001
Net interest expense before FX impact	(429)	(625)
Exchange impact on debt	180	149
Net interest expense	<u>(249)</u>	<u>(476)</u>
Net debt	6,822	7,321

Credit ratings: S&P 'A' (positive); Moody's 'A3' (positive)

Taxation

Year ended 30 June (US\$M)	2002	2001
Tax expense before exceptionals & FX	960	1,056
Tax expense/(benefit) on FX adjustments	(2)	(113)
Tax expense before exceptionals	958	943
Tax expense/(benefit) on exceptionals	32	(132)
Total tax expense	990	811

- Effective tax rate 32.6% excluding exceptional items
- Effective tax rate 32.7% excluding foreign currency adjustments and exceptional items

USD functional currency policy

- Merged group confirmed USD functional currency
- Predominant currency of global business
 - Revenue
 - Some costs
 - Most debt
- Non monetary items held at fixed historical exchange rates
- Monetary items marked to market – to P&L
- Non cash
- Site restoration and rehabilitation to balance sheet

USD functional currency policy - general level of exposure

(US\$M)	AUD	Rand	Impact
Net payables, receivables & employee provisions	(400)	(100)	P&L
Tax provisions	(600)	(400)	P&L
Debt	-	(300)	P&L
Total	<u>(1,000)</u>	<u>(800)</u>	P&L
Restoration & Rehab	(500)	(100)	Bal sheet

Impact on FY02 results of restatements of net monetary liabilities

(US\$M)	2002	Impact in June qtr	Impact in full year
EBIT	3,188	(45)	(15)
Net interest	(249)	(40)	180
Taxation expense	(958)	(100)	15
Attributable profit	<u>1,934</u>	<u>(185)</u>	<u>180</u>

Exchange rates	As at	As at	As at
Versus US dollar	30 June 2002	31 March 2002	30 June 2001
South African rand	10.25	11.43	8.08
Australian dollar	0.566	0.529	0.505

Financial ratios

Year ended 30 June	2002	2001
Net debt/(net debt + equity)(%)	35.0	38.4
EBITDA interest cover (times)	11.0	8.5
Return on capital (%)	11.0	13.7

Capital expenditure

(US\$M)	2002 Actual	2003 Forecast
Project expenditure	1,620	2,380
Sustaining capital	860	840
Exploration expenditure	390	310
Investment expenditure	340	
Total	3,210	3,530

Capital expenditure excluding disposals

PRELIMINARY RESULTS

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CEO & Managing Director



CSG operating review

ALUMINIUM

- 12% (US\$180/tonne) decrease in average LME aluminium price
- Aluminium production flat. Higher production from full commissioning at Mozal offset by lower volumes in Brazil
- Alumina production up 34% due to increased interest in Worsley

BASE METALS

- 12% (US\$0.09/lb) decrease in average realised copper price to US\$0.69/lb
- Copper cutbacks at Escondida and Tintaya offset by Antamina on stream
- Tintaya oxide plant operational in June 2002
- Exceptional items of US\$(132) million pre-tax

CSG operating review

CARBON STEEL MATERIALS

- Iron ore production of 67.9 million tonnes, up 3%
- Met coal production of 35.5 million tonnes, down 4%
- Satisfactory iron ore price settlement achieved in May
- Hard coking coal prices increased to a range of \$48/t to \$50/t

STAINLESS STEEL MATERIALS

- 17% decrease in average realised nickel price from US\$3.25/lb to US\$2.69/lb
- Nickel production up 13% to 68,900 tonnes due to ramp-up of Cerro Matoso Line 2
- Ferrochrome production down 8% to 837,000 tonnes

CSG operating review

ENERGY COAL

- Higher export prices in first half benefited annual average prices
- Low spot prices in second half due to warm European winter
- Lower production in South Africa, US and Indonesia
- Full year contribution from CdC and CZN (Colombia)

PETROLEUM

- 19% (US\$5.46/bbl) decrease in average realised oil prices to US\$22.58/bbl
- Lower volumes at Laminaria, Bass Strait and Griffin due to natural field decline
- Full year contribution from Typhoon and Zamzama
- Gas production up 8% to 283bcf due to increases at Liverpool Bay and Zamzama

CSG operating review

STEEL

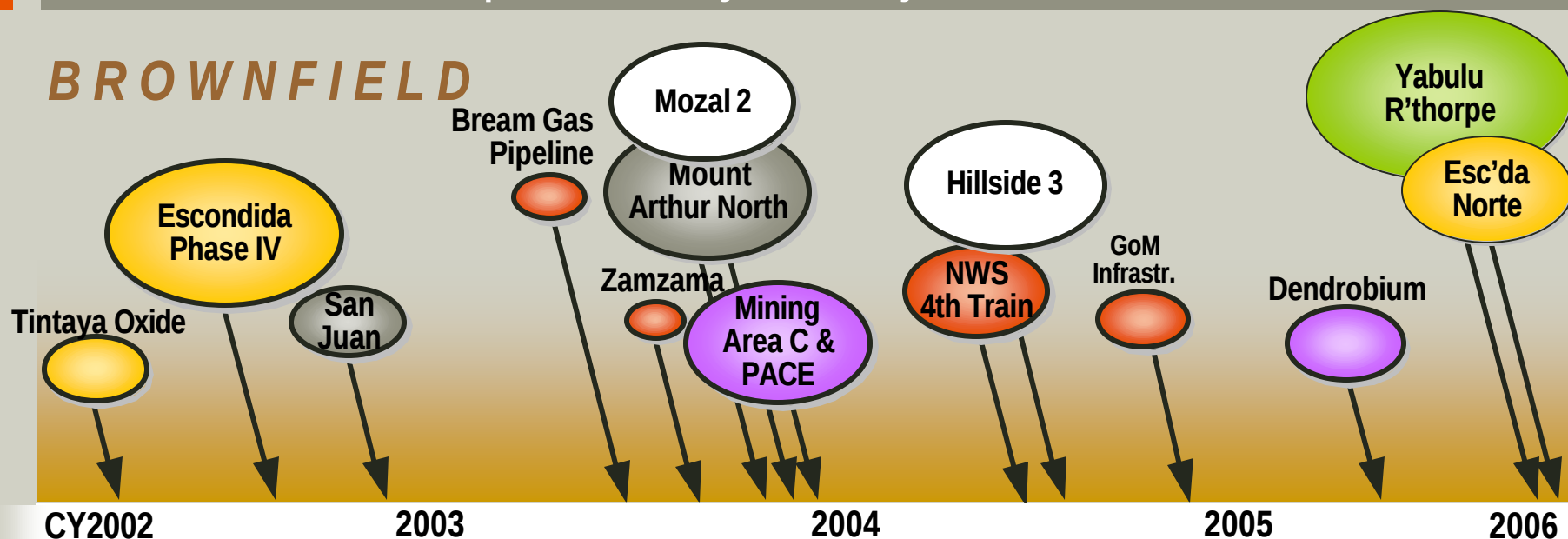
- Lower international prices for steel products
- Higher per unit costs
- Stronger Australian domestic demand for value added products

DIAMONDS

- Increased production due to increased ownership in Ekati and higher recoveries of lower quality diamonds
- Higher carat grade on core production
- Wider application of diamond branding

Growth From Deep Inventory of Projects

BROWNFIELD

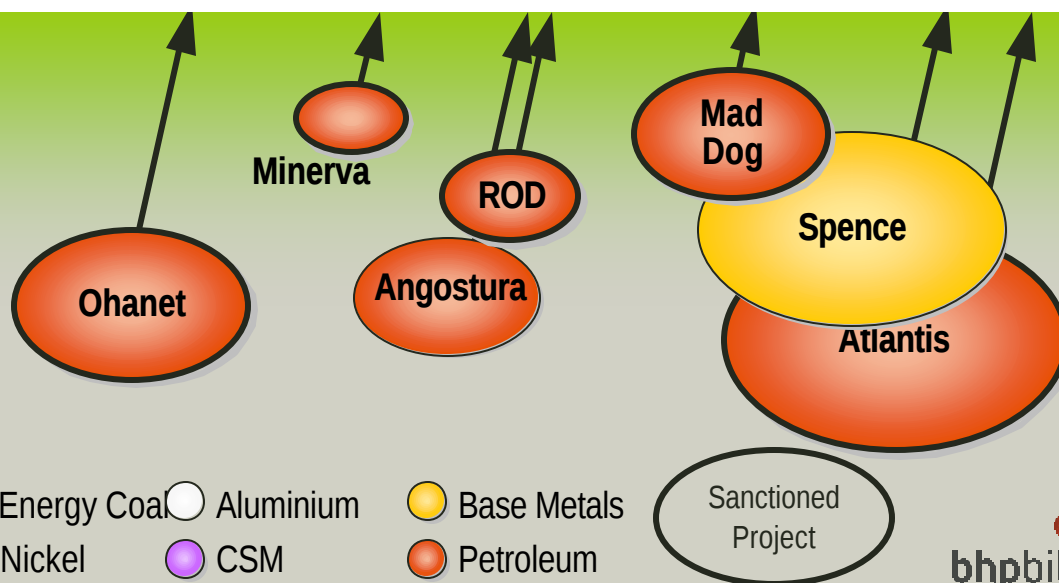


GREENFIELD

Note:
Size of bubble indicates
proposed capital expenditure

\$US
200m

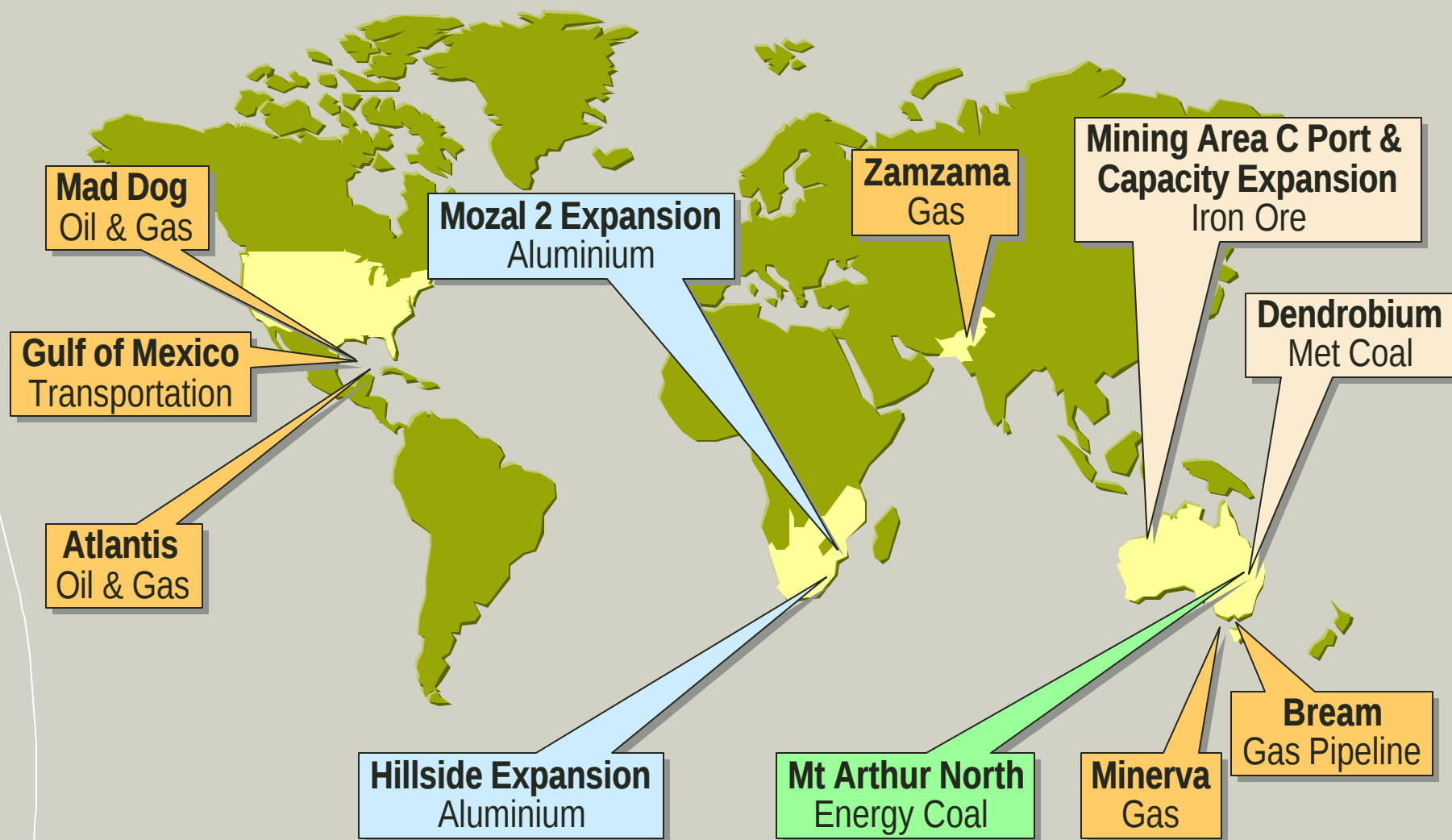
- Energy Coal
- Aluminium
- Base Metals
- Nickel
- CSM
- Petroleum



Preliminary Results

Slide 27 7 August 2002

Growth – New projects committed in FY02



Preliminary Results

Slide 28 7 August 2002



Carbon Steel
Materials



Energy Coal



Aluminium



Petroleum

Growth pipeline – update on sanctioned projects

Minerals

Project	Commodity	Share of Capex US\$M	Target completion date	Progress
Mozal 2 (Mozambique) – 47.1%	Aluminium	405	Q4 2003	On time
Hillside 3 (South Africa) – 100%	Aluminium	449	Q2 2004	On time
Escondida Phase IV (Chile) – 57.5%	Copper	600	Q3 2002	On time
Mining Area C (Australia) – 85%	Iron ore	181	Q4 2003	On time
Port & Capacity Expansion (Australia) – 85%	Iron ore	299	Q2 2004	On time
Dendrobium (Australia) – 100%	Met coal	170	Q2 2005	On time
San Juan underground (US) – 100%	Energy coal	146	Q4 2002	On revised schedule
Mt Arthur North (Australia) – 100%	Energy coal	411	Q4 2003	On time

Growth pipeline – update on sanctioned projects

Petroleum

Project	Commodity	Share of Capex US\$M	Target completion date	Progress
Ohanet (Algeria) – 45%	Gas	464	Q3 2003	On time
ROD (Algeria) – 45%	Oil/gas	179	Q2 2004	On revised schedule
Mad Dog (US) – 23.9%	Oil/gas	335	Q4 2004	On time
Atlantis (US) – 44%	Oil/gas	Approx 1bn	Q4 2005	On time
GoM Pipelines Infrastructure (US) – 22/25%	Oil/gas	100	Q4 2004	On time
NWS Train 4 (Australia) – 16.7%	LNG	237	Q2 2004	On time
Minerva (Australia) – 90%	Gas	123	Q1 2004	On time
Bream Gas Pipeline (Australia) – 50%	Gas	50	Q2 2003	On time
Zamzama (Pakistan) – 38.5%	Gas	40	Q3 2003	On time

Strategic Framework scorecard

Value Driver	Strategic imperatives	Performance measures	FY02 performance
I. Outstanding assets	Zero harm	Improve HSEC statistics	Fatalities - 13 LTIFR - 2.24
	Operating excellence	Community – 1% of pre-tax profits	1.47%
		Cut operating costs by 2%pa	Initiatives underway
II. Growth from a deep inventory of growth projects	Investment judgement Project management skills	Decide/implement projects	\$2.9bn in projects sanctioned
III. Customer centric marketing	Serving customers best	Preferred supplier status	Marketing hubs established

Strategic Framework scorecard

Value Driver	Strategic imperatives	Performance measures	FY02 performance
IV. The portfolio effect	Portfolio management Funding and capital management	Credit rating of 'A' or better Positive cash flow before dividends & funding EBITDA interest cover >8x	S&P: A (positive) Moody's: A3 (positive) \$1.3bn 11.0x
V. The Petroleum CSG	Value adding growth	Low discovery costs Growing reserves and production	F&D costs US\$5.40/bbl Reserve replacement ratio 134%
VI. Innovation	Creative thinking Commercial judgement Transaction execution		Falcon™ Diamond branding

Merger benefits – US\$270M by end FY03

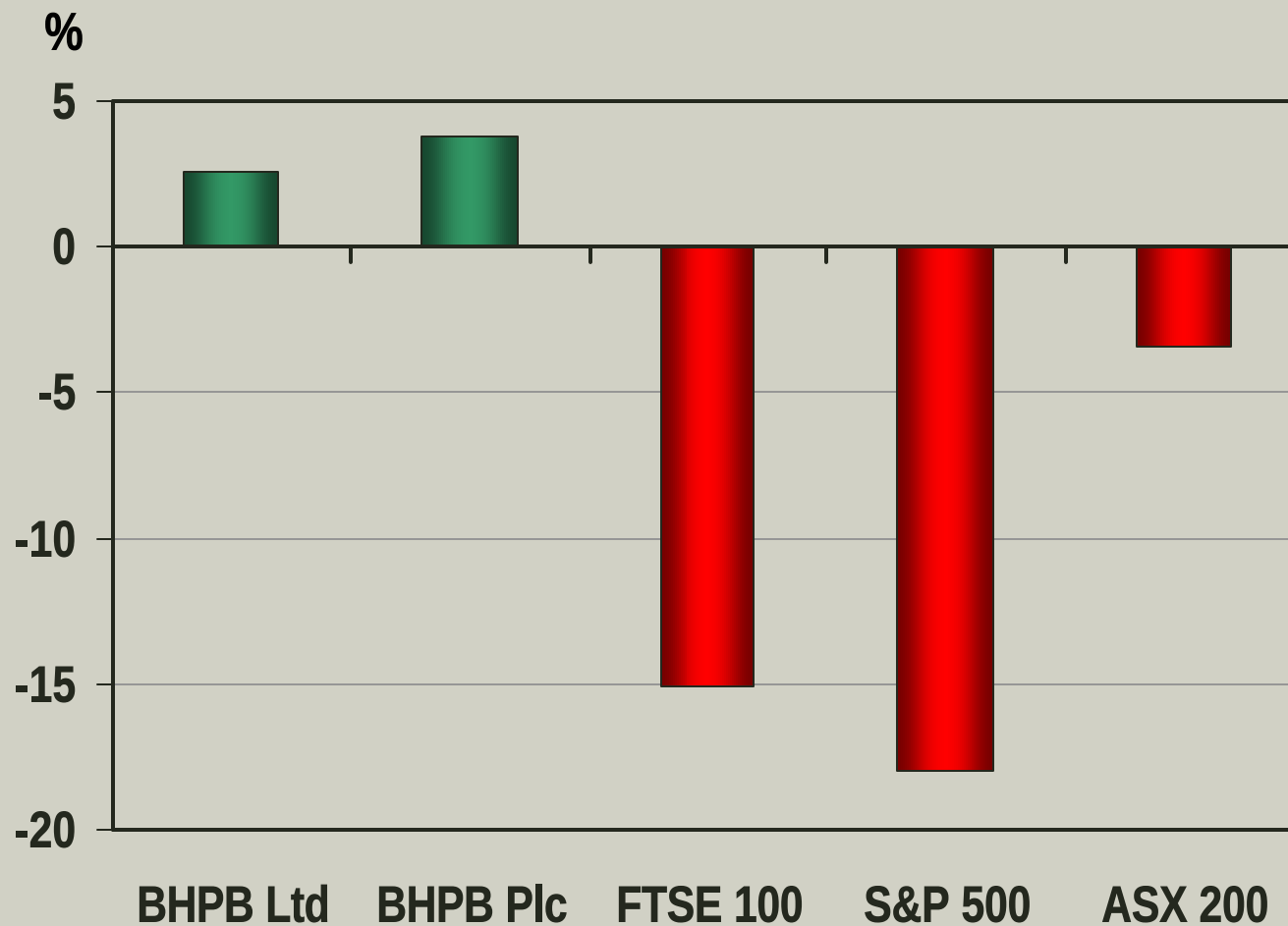
- Cost savings and efficiency gains occurring as a result of the merger of BHP and Billiton

	US\$M
Revenue enhancement	
Marketing operations	25
EBIT synergies	
Operational ongoing	92
Operating Excellence	50
Strategic Sourcing	18
Total EBIT synergies	185
Financing synergies & Marketing structure	35
Total merger benefits (before one-off costs)	220

Strategic framework US\$500M cost reduction target

- Cost savings and efficiency gains resulting from corporate excellence and a focus on our core business
 - Operating excellence
 - Simplified corporate structure and processes
 - Marketing organisation – increased volumes and market share
 - Productivity improvements
- Methodology principles
 - Commodity based – unit costs
 - FY01 base year – consistent with merger synergies
 - Adjusted for price linked costs, exchange rates, inflation and exceptionals

Total shareholder return performance 1 July 2001 to 30 June 2002



Source: Bloomberg

Summary and outlook

- Solid first year results
- Delivering against Strategic Framework
- Marketing and supply side discipline
- FY03 focus on costs and growth projects
- Expect further successes in Petroleum and Marketing
- Well positioned for recovery but outlook remains uncertain



bhpbilliton

PRELIMINARY RESULTS

BACKUP SLIDES

Key net profit sensitivities

Approximate impact on forecast FY03 net profit after tax of changes of:

(US\$M)

US\$1/bbl on oil price	45
US\$50/t on aluminium price	35
USc1/lb on copper price	15
USc10/lb on nickel price	10
US\$1/t on energy coal price	25
US\$1/t on metallurgical coal price	20
US\$1/t on iron ore price	25

Key net profit sensitivities

Approximate impact on forecast FY03 net profit after tax of changes of:

(US\$M)

Australian dollar (USc1/A\$)

Operations (net of hedging) ⁽¹⁾	20
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Net monetary liabilities ⁽²⁾	20
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South African Rand (0.2 Rand/US\$)

Operations ⁽¹⁾	10
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Net monetary liabilities ⁽²⁾	10
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Rand debt ⁽²⁾	5
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(1) Impact based on average exchange rate for the period

(2) Impact based on difference in opening and closing exchange rates for the period

Exchange rates

The following exchange rates have been used in these results

	As at	As at	Average Year ended
Versus US dollar	30 June 2002	30 June 2001	30 June 2002
South African rand	10.25	8.08	10.03
Australian dollar	1.77	1.98	1.91
Brazilian real	2.82	2.30	2.50
Chilean peso	697.6	631.8	672.1
Colombian peso	2,399	2,297	2,487
Canadian dollar	1.50	1.52	1.56