

BHPSTEEL LIMITED

Half Year Results Presentation Period Ended 31 December 2002

Kirby Adams, Managing Director and Chief Executive Officer

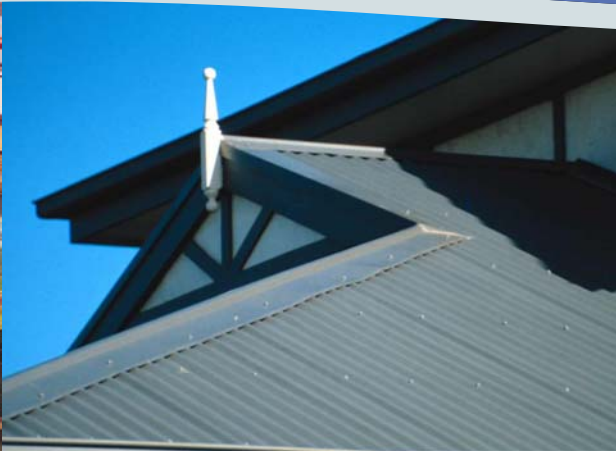
Brian Kruger, Chief Financial Officer

27 February, 2003

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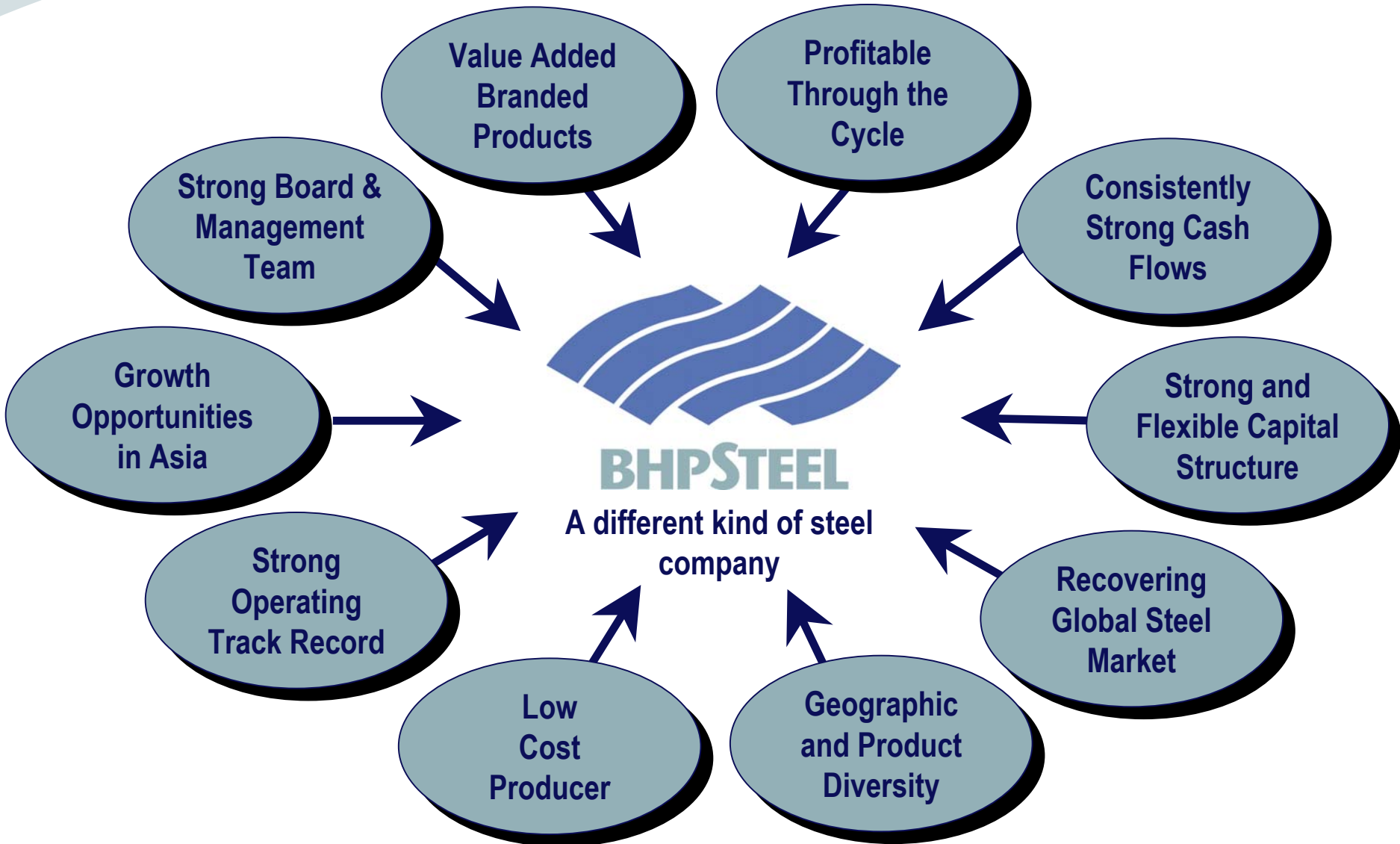
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BHP Steel Limited



Creating Shareholder Value in a Difficult Industry



Business Results – 6 Months to 31 December 2002 vs. 2001

Our business is now larger and stronger

Despatches (external)	+18%	to	3,348mt
Revenue	+13%	to	\$2,590m
EBITDA	+110%	to	\$464m
EBIT	+250%	to	\$332m
EBIT Margin	From 4%	to	13%
Net Cash Flow	+82%	to	\$343m
EPS	-	-	30.6¢
Dividend	0/40% Franking	to	100% FF
ROIC	-	-	15.7%
Debt reduced	52%	to	\$352m
Gearing	From 18.2%	to	6.5%

Group Financial Overview

Performance vs. Scheme Booklet forecast

BHP Steel						
A\$ Millions	1999A	2000A	2001A	2002A	2003F ⁽¹⁾	2003-1H(A)
Revenue	4,849	4,898	4,941	4,593	4,913	2,590 (53%)
EBITDA	525	711	568	412	611	464 (76%)
EBIT	257	445	305	160	343	332 (97%)
NPAT	-	-	-	-	254	242 (95%)
Cashflow before borrowing and tax	514	635	520	227	345	343 (100%)

(1) Scheme Booklet forecast

BHP Steel well positioned in an improving industry

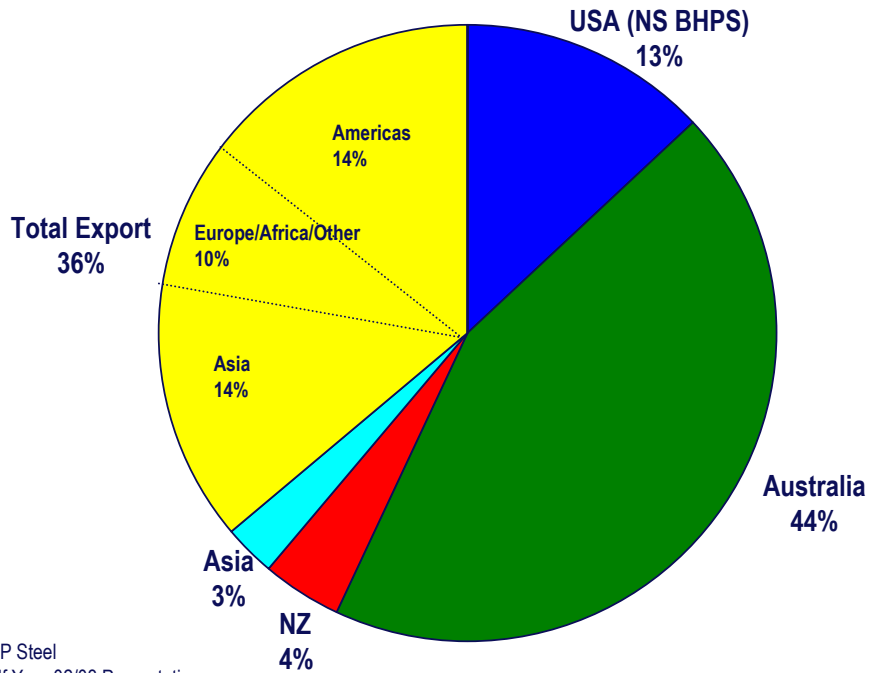
Europe	USA
<ul style="list-style-type: none">- Significant consolidation- Reduced production- Scrap / CIS- Weak demand / higher prices	<ul style="list-style-type: none">- Consolidation- Weak demand- Section 201- Prices trending to world levels- Scrap / Venezuela
China	Australia / Asia
<ul style="list-style-type: none">- Surging steel consumption- 200mt – 2003- Net importer- New Capacity- Olympics/manufacturing infrastructure- “The future”	<ul style="list-style-type: none">- Reasonable growth excluding Japan- Japan consolidation/reduced production- Korea strong growth- Construction demand- Key supplier to China

Geographic and Product Diversity – First Half 2002/03

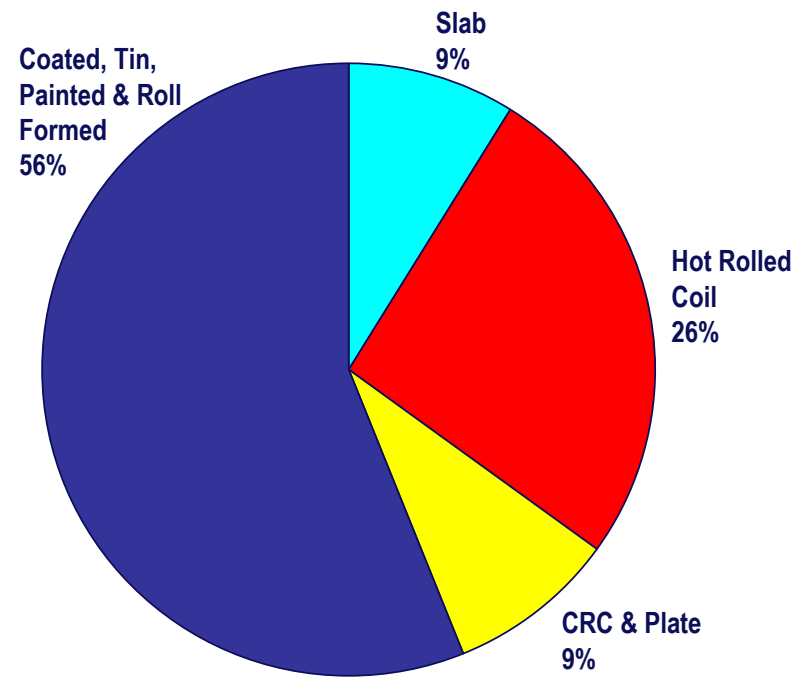


External despatches in all segments

Geographic Breakdown of Domestic/Export Sales (Tonnes)



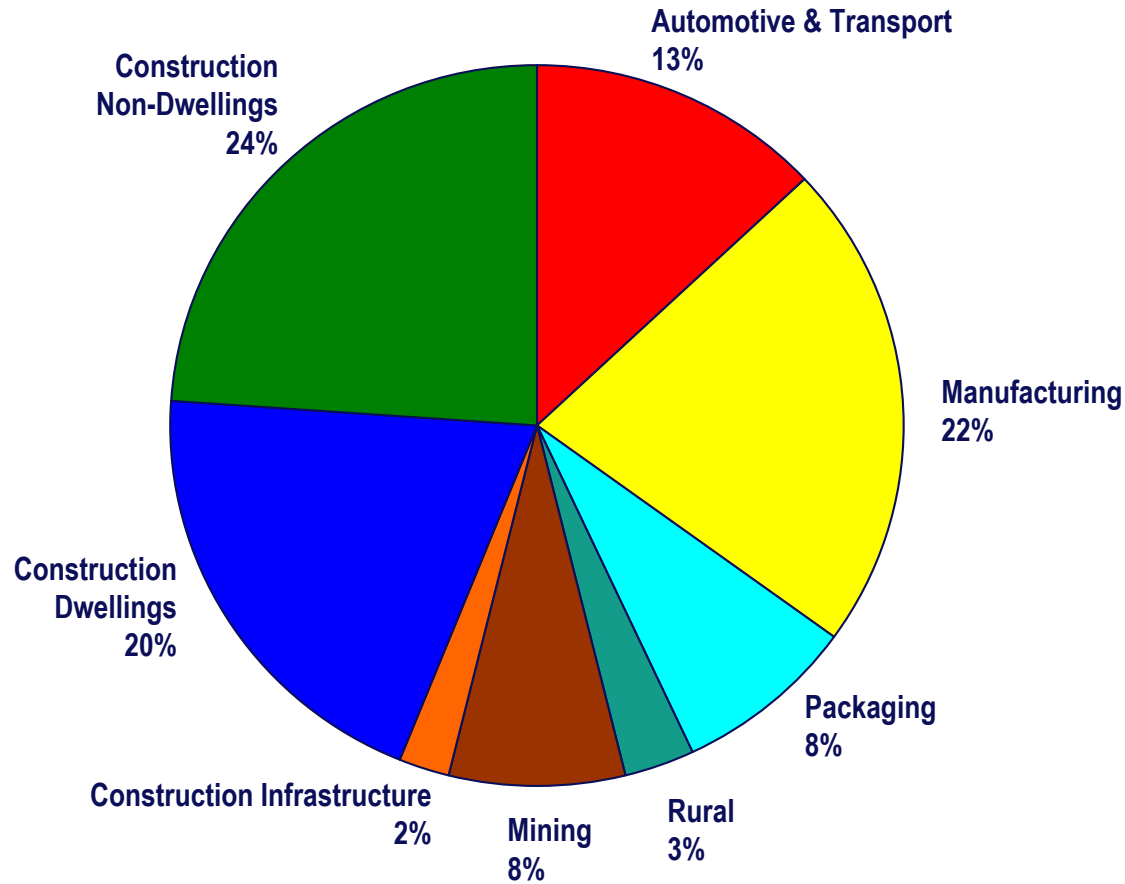
Global Sales by Revenue⁽¹⁾



(1) Includes North Star BHP Steel

Australian Domestic Sales by Market Segment (tonnes)

6 months to 31 December 2002

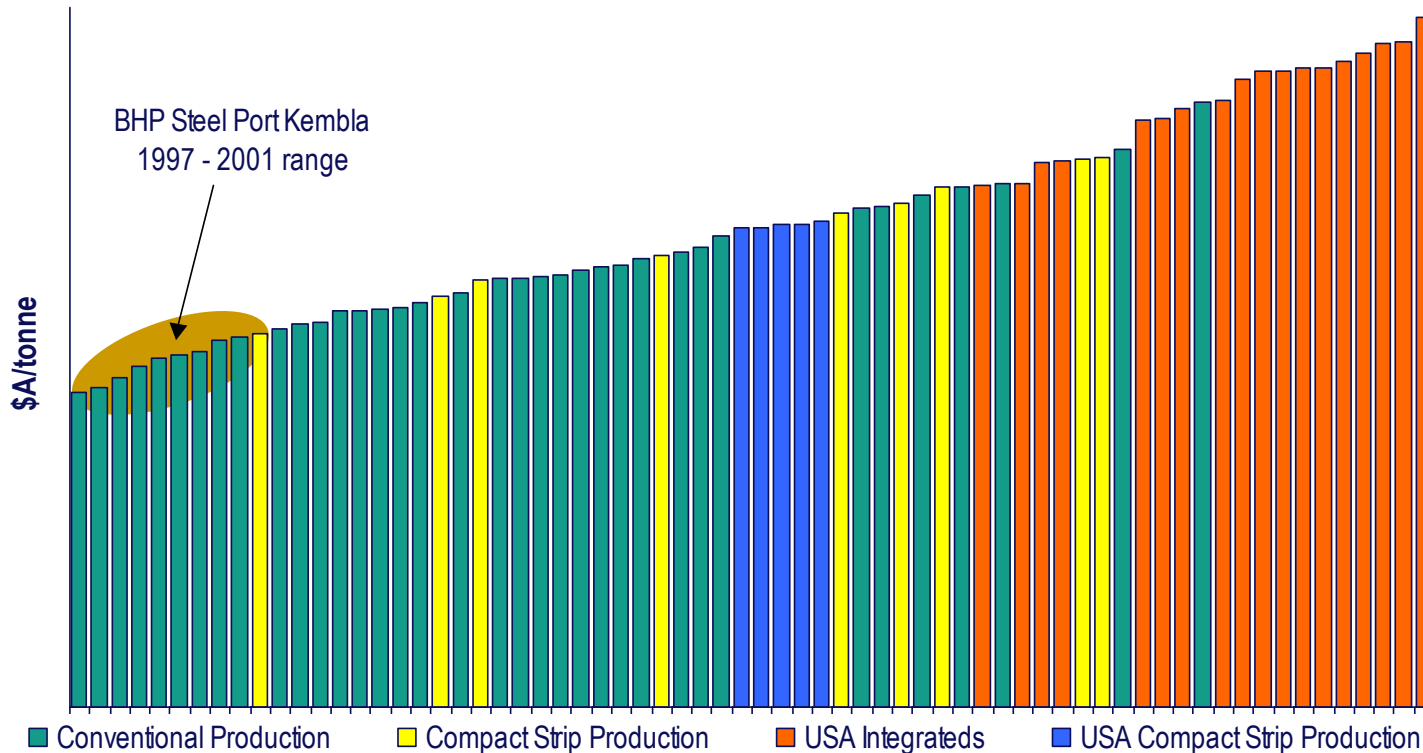


Sales - Dec 2001 Half 1,260kt
Sales - Dec 2002 Half 1,409kt

Hot Rolled Coil Cost Curve

- Is one of the 10 lowest cost Hot Rolled Coil producers in the world with global scale
- Improvements continue to retain this position

**Low
Cost
Producer**



Source:

D. Barnett and BHP Steel

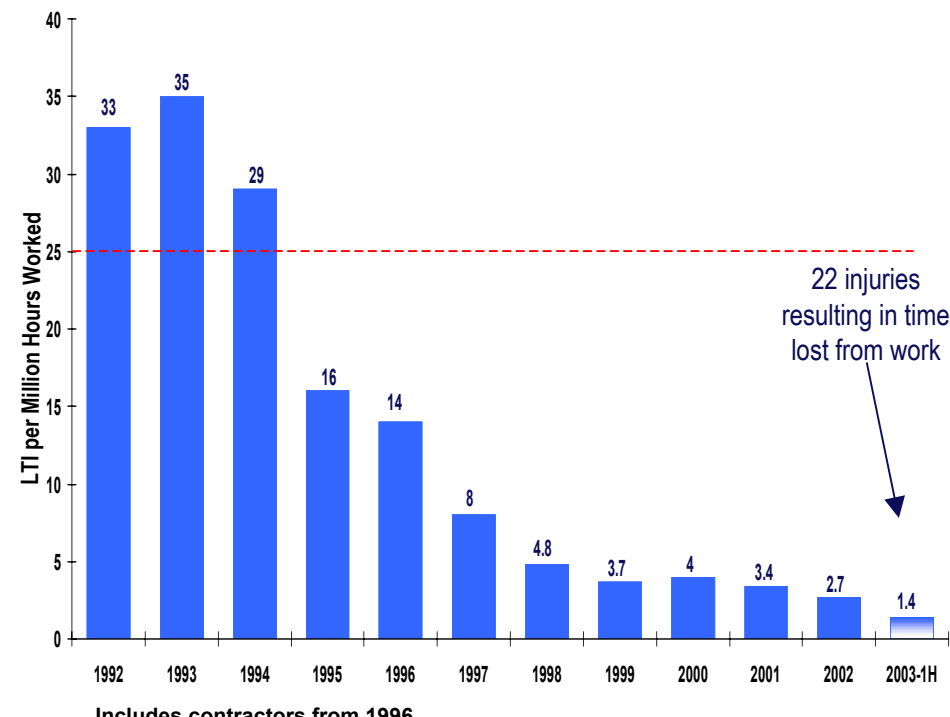
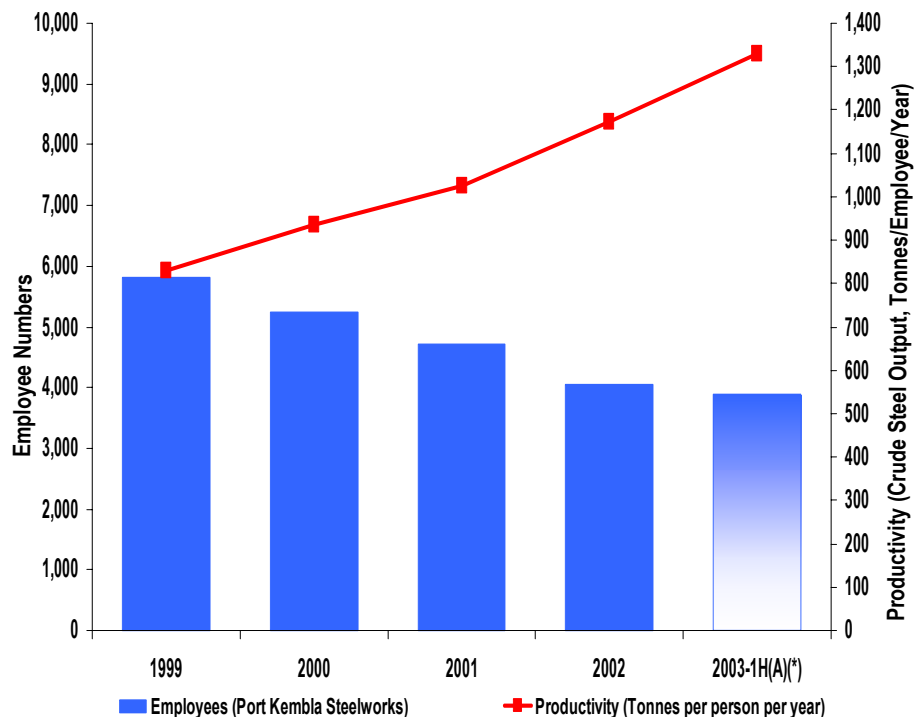
Business Excellence

- Productivity improvements across our businesses
- Improving safety performance

**Strong
Operating
Track Record**

Productivity Growth

Lost Time Injury Frequency Rate



* Productivity has been annualised

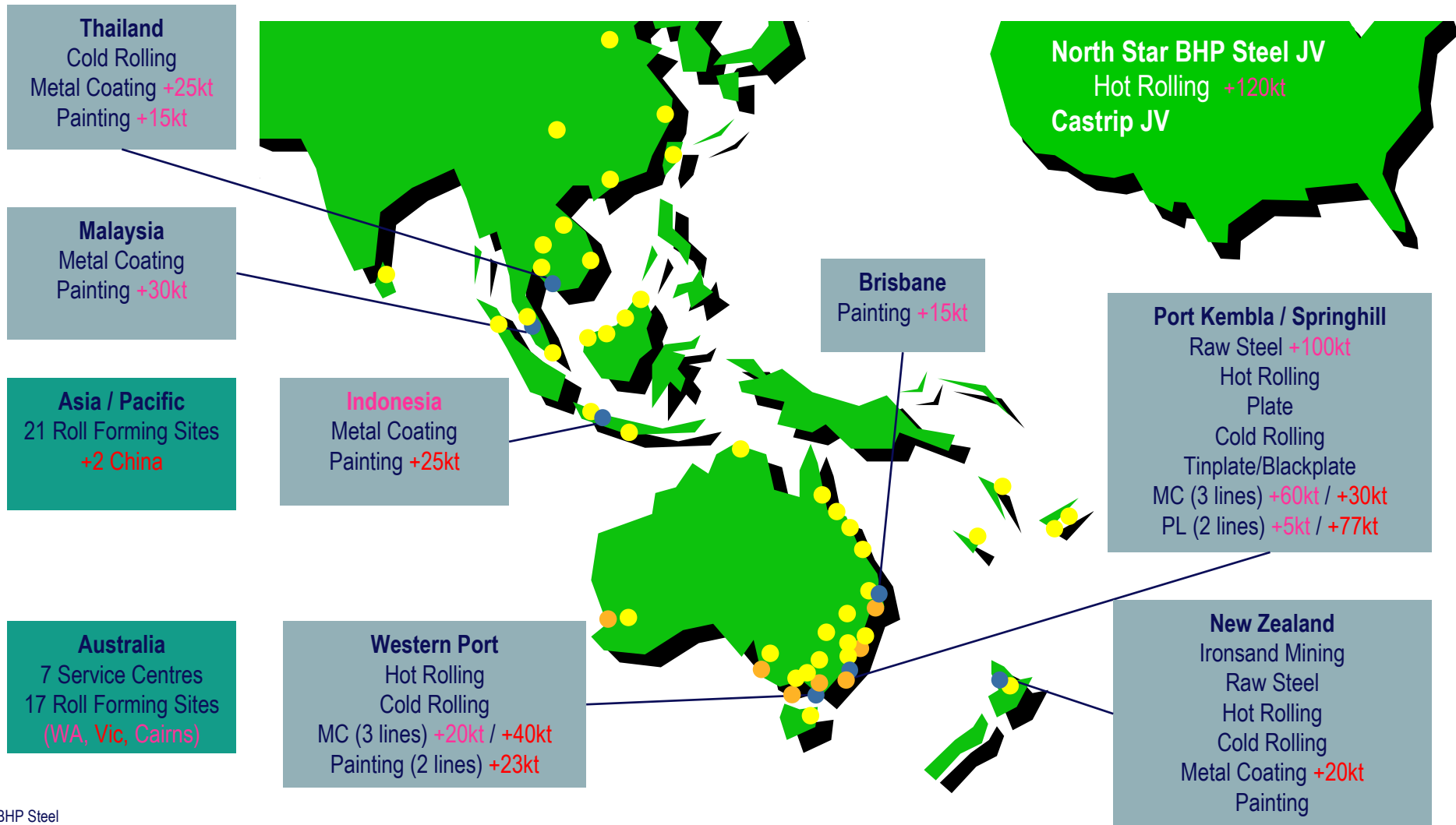
**Strong
Operating
Track Record**

- 50% joint venture in Delta, Ohio
- 6 month net profit A\$77m improvement
- Voted No. 1 flat rolled steel supplier in North America in 2002 Jacobsen Survey (second in 2001)
- Annual production capacity increased from 1.42 to 1.63mtonnes (100% basis)
- Safety – new milestone, over 2 million work hours (approaching 3 years) without a single injury resulting in lost time
- External debt, as at 31 December 2002, reduced US\$52m

- Overriding objective – CREATE SHAREHOLDER VALUE
- Focused on:
 - Flat steel products and solutions
 - Value-added coated, painted, branded products and services
 - Being an excellent supplier, manufacturer and a low cost operator
 - Disciplined capital management while selectively pursuing growth, including M&A
- By Region
 - Australia / NZ / Pacific Islands
 - Vigorously maintain and grow existing value
 - Quality, technology, service leadership
 - Consider niche growth opportunities
 - Asia
 - Core growth region – downstream products to building industry
 - USA / Rest of World
 - Competitive and valued supplier of slab/HRC
 - Leading EAF producer
 - Technology partnerships, eg. Castrip, ironmaking and coatings

Strategy – Organic Growth

Focus on organic growth **implemented** and **approved**

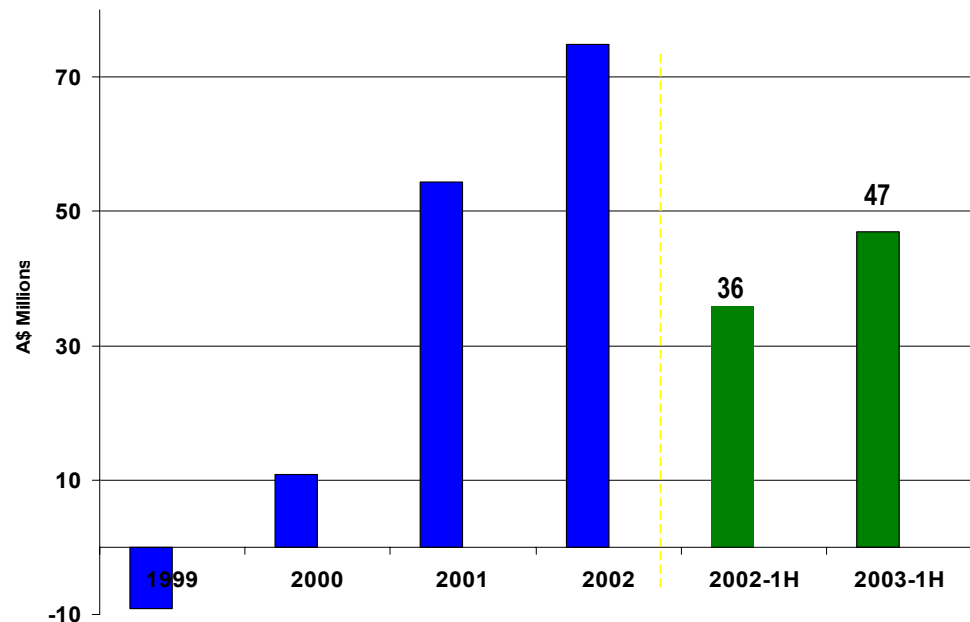


Strategy - Asia – Core Growth Region

- Growing revenue and profits continue
- Unique Asian footprint with multiple growth opportunities
 - Innovative - new products and solutions
 - Capacity growth

Growth Opportunities in Asia

Asian Financial Performance (EBIT)



Our First Six Months . . .

- Active and engaged Board of Directors
 - Successful demerger and public listing
 - Strong corporate governance framework
 - Total shareholder return focus
- Focused Management
 - Continued drive to reduce fixed and conversion costs
 - Greater focus on growing revenue
 - Organic growth
 - New marketing strategies



**Strong Board &
Management
Team**



Financials



Profit and Loss

Profitable
Through the
Cycle

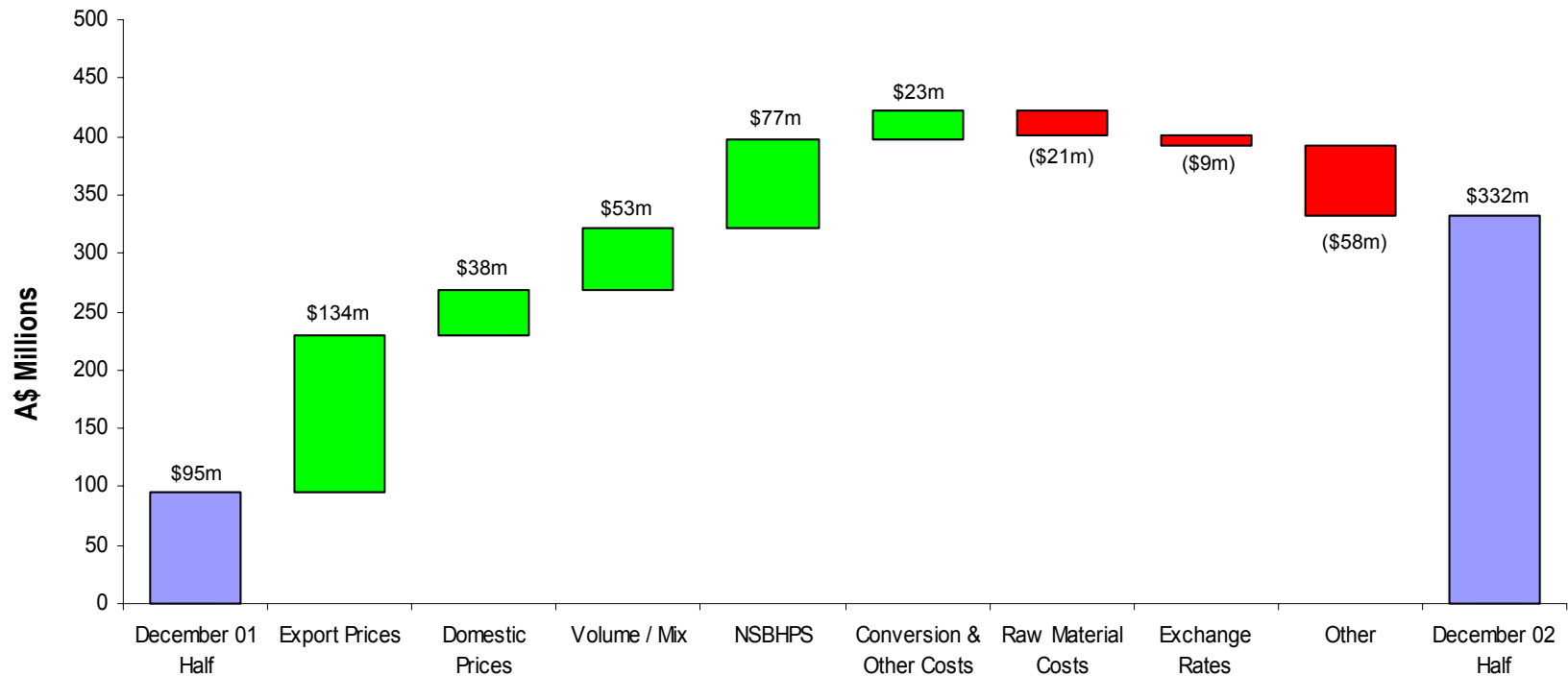
<i>A\$ Millions</i>	1999A	2000A	2001A	2002A	2002-1H(A)	2003-1H(A)
Revenue	4,849	4,898	4,941	4,593	2,299	2,590
EBITDA ⁽¹⁾	525	711	568	412	221	464
EBIT ⁽¹⁾	257	445	305	160	95	332
Net Profit						242
EPS (¢)						30.6

(1) Includes net profit/loss for North Star BHP Steel

(2) 1999A to and including 2002A normalised

EBIT Variance

December 2001 Half vs. December 2002 Half



Balance Sheet

**Strong and
Flexible Capital
Structure**

<i>A\$ Millions</i>	As at 31 December	
	2002	Pro-Forma 2001
Assets		
Cash	137	170
Receivables	508	433
Inventory	766	685
Other Assets	268	302
Net Fixed Assets	3,171	3,219
Total Assets	4,850	4,809
Liabilities		
Creditors	500	479
Interest Bearing Liabilities	352	779
Provisions	904	813
Total Liabilities	1,756	2,071
Net Assets	3,094	2,738
• Net Debt / (Net Debt + Equity) (excluding off balance sheet items)	6.5%	18.2%

**Strong and
Flexible Capital
Structure**

- **Tax effective returns to shareholders**
 - Share buyback
 - Up to 10% of ordinary shares (79.3m)
 - On market
 - During the next 12 months, but limited to 10 million up to first anniversary of public listing, subject to market conditions
 - Dividend
 - Interim – declared – 9¢ fully franked
 - Final – intended – 11¢ fully franked

Cash Flow

Consistently
Strong Cash
Flows

<i>A\$ millions</i>	1999A	2000A	2001A	2002A	2002-1H(A)	2003-1H(A)
Net operating cash flow before borrowing costs and income tax	725	715	631	381	244	386
Net investing cash flows						
- Capital expenditure	(191)	(90)	(105)	(162)	(57)	(76)
- Other	(20)	10	(6)	8	1	33 ⁽¹⁾
Net cash flow before financing and tax	514	635	520	227	188	343
Net financing cash flow						(298) ⁽²⁾
Payment of income tax						(8)
Net increase in cash held						37

(1) Includes impact of NS BHP Steel loan repayment of A\$36m.

(2) Repaid A\$379m of debt.

(3) 1999A to end including 2002A normalised

A Great Start For . . .

•SHAREHOLDERS



•CUSTOMERS



•COMMUNITIES

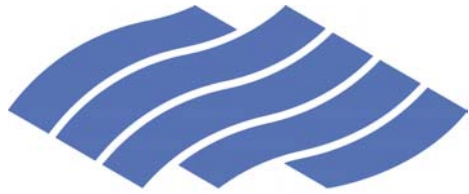


•EMPLOYEES



BHP Steel ... You have made the right choice





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