

AKAMAI TECHNOLOGIES INC
Form 10-Q
August 10, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2009

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from _____ to _____

Commission file number 0-27275

Akamai Technologies, Inc.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of

04-3432319
(I.R.S. Employer

incorporation or organization)

8 Cambridge Center

Identification Number)

Cambridge, MA 02142

(617) 444-3000

(Address, Including Zip Code, and Telephone Number,

Including Area Code, of Registrant's Principal Executive Offices)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 (the Exchange Act) during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller

reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of the registrant's common stock as of August 5, 2009: 172,401,167 shares.

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AKAMAI TECHNOLOGIES, INC.

FORM 10-Q

For the quarterly period ended June 30, 2009

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AKAMAI TECHNOLOGIES, INC.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	June 30, 2009	December 31, 2008
(In thousands, except share data)		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 321,083	\$ 156,074
Marketable securities (including restricted securities of \$3,330 at June 30, 2009 and \$3,460 at December 31, 2008)	298,943	174,557
Accounts receivable, net of reserves of \$16,540 and \$11,270 at June 30, 2009 and December 31, 2008, respectively	144,537	139,612
Prepaid expenses and other current assets	33,161	27,124
Deferred income tax assets	4,542	4,542
Total current assets	802,266	501,909
Property and equipment, net	174,742	174,483
Marketable securities (including restricted securities of \$153 each at June 30, 2009 and December 31, 2008)	306,752	440,996
Goodwill	441,875	441,258
Other intangible assets, net	84,518	92,995
Deferred income tax assets, net	173,749	223,718
Other assets	5,068	5,592
Total assets	\$ 1,988,970	\$ 1,880,951
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 19,279	\$ 21,165
Accrued expenses and other current liabilities	41,419	66,132
Deferred revenue	28,082	11,506
Accrued restructuring	1,148	1,653
Total current liabilities	89,928	100,456
Other liabilities	14,802	10,619
Deferred revenue	3,494	1,251
1% convertible senior notes	199,855	199,855
Total liabilities	308,079	312,181
Commitments, contingencies and guarantees (Note 15)		
Stockholders' equity:		

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Preferred stock, \$0.01 par value; 5,000,000 shares authorized; 700,000 shares designated as Series A Junior Participating Preferred Stock; no shares issued or outstanding		
Common stock, \$0.01 par value; 700,000,000 shares authorized; 173,515,314 shares issued and 172,802,114 shares outstanding at June 30, 2009 and 169,371,675 shares issued and outstanding at December 31, 2008	1,735	1,694
Additional paid-in capital	4,581,290	4,539,154
Accumulated other comprehensive income (loss)	(12,500)	(24,350)
Treasury stock, at cost, 713,200 shares	(14,994)	
Accumulated deficit	(2,874,640)	(2,947,728)
Total stockholders' equity	1,680,891	1,568,770
Total liabilities and stockholders' equity	\$ 1,988,970	\$ 1,880,951

The accompanying notes are an integral part of the consolidated financial statements.

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AKAMAI TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2009	2008	2009	2008
(In thousands, except per share amounts)				
Revenues	\$ 204,600	\$ 194,004	\$ 414,968	\$ 381,023
Costs and operating expenses:				
Cost of revenues	60,009	53,688	120,371	105,263
Research and development	9,378	9,519	20,234	18,823
Sales and marketing	41,437	41,188	83,707	77,132
General and administrative	35,144	33,803	71,212	67,069
Amortization of other intangible assets	4,238	3,491	8,477	7,081
Restructuring charge			454	
Total costs and operating expenses	150,206	141,689	304,455	275,368
Income from operations	54,394	52,315	110,513	105,655
Interest income	4,059	5,490	8,799	13,531
Interest expense	(710)	(710)	(1,420)	(1,420)
Other income (expense), net	184	(970)	1,318	(494)
Gain (loss) on investments, net	105	64	560	272
Income before provision for income taxes	58,032	56,189	119,770	117,544
Provision for income taxes	22,025	21,855	46,682	46,299
Net income	\$ 36,007	\$ 34,334	\$ 73,088	\$ 71,245
Net income per weighted average share:				
Basic	\$ 0.21	\$ 0.21	\$ 0.43	\$ 0.43
Diluted	\$ 0.19	\$ 0.19	\$ 0.39	\$ 0.38
Shares used in per share calculations:				
Basic	172,561	167,417	171,540	166,688
Diluted	189,556	187,641	188,870	187,493

The accompanying notes are an integral part of the consolidated financial statements.

Table of Contents**AKAMAI TECHNOLOGIES, INC.****CONSOLIDATED STATEMENTS OF CASH FLOWS****(UNAUDITED)**

**For the Six Months
Ended June 30,
2009 2008
(In thousands)**

Cash flows from operating activities:		
Net income	\$ 73,088	\$ 71,245
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	58,356	46,058
Stock-based compensation expense	28,387	28,248
Provision for deferred income taxes, net	43,167	43,952
Amortization of deferred financing costs	420	420
Provision for doubtful accounts	3,521	736
Excess tax benefits from stock-based compensation	(658)	(10,282)
Loss (gain) on investments and loss on disposal of property and equipment, net	(387)	(303)
Gain on divestiture of certain assets	(1,062)	
Changes in operating assets and liabilities, net of effects of acquisitions:		
Accounts receivable	10,660	(5,708)
Prepaid expenses and other current assets	(4,275)	(8,815)
Accounts payable, accrued expenses and other current liabilities	(21,337)	(8,107)
Deferred revenue	946	1,099
Accrued restructuring	(675)	(543)
Other non-current assets and liabilities	4,149	(197)
Net cash provided by operating activities	194,300	157,803
Cash flows from investing activities:		
Purchases of property and equipment	(34,033)	(45,943)
Capitalization of internal-use software development costs	(13,687)	(12,579)
Purchases of short- and long-term marketable securities	(163,882)	(358,459)
Proceeds from sales of short- and long-term marketable securities	141,511	154,033
Proceeds from maturities of short- and long-term marketable securities	50,161	95,782
Cash paid for acquisition of business	(5,779)	
Proceeds from divestiture of certain assets	1,350	
Proceeds from the sale of property and equipment	4	74
Decrease in restricted investments held for security deposits	130	
Net cash used in investing activities	(24,225)	(167,092)
Cash flows from financing activities:		
	10,763	18,132

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Proceeds from the issuance of common stock under stock option and employee stock purchase plans

Excess tax benefits from stock-based compensation	658	10,282
Repurchase of common stock	(16,905)	
Net cash (used in) provided by financing activities	(5,484)	28,414
Effects of exchange rate changes on cash and cash equivalents	418	1,214
Net increase in cash and cash equivalents	165,009	20,339
Cash and cash equivalents at beginning of period	156,074	145,078
Cash and cash equivalents at end of period	\$ 321,083	\$ 165,417

Highland Valley (d) 33.6% - - 0.3 0.2 0.2 0.7 -

CARBON STEEL MATERIALS

IRON ORE

Production ('000 tonnes)

Mt Newman Joint Venture	85%	6,030	5,620	5,500	5,591	5,239	20,952	19,396
Goldswortley Joint Venture	85%	1,424	1,630	1,730	1,453	1,788	6,604	6,114
Yandi Joint Venture	85%	6,570	7,080	5,840	6,354	6,882	26,148	22,618
Jimblebar	100%	1,246	1,130	1,250	991	1,272	4,641	4,923
Samarco	50%	1,790	1,820	1,910	1,885	1,893	7,509	6,765
Total		17,060	17,280	16,230	17,277	17,074	65,854	59,816

METALLURGICAL COAL (e)

Production ('000 tonnes)

CQCA	52.1%	3,597	3,961	3,794	4,519	4,064	15,336	15,000
Gregory Joint Venture	64.1%	703	851	970	845	960	3,626	3,249
BHP Mitsui Coal (f)	80%	1,245	1,414	1,525	1,678	1,802	6,418	6,108

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QCT Resources (g)	50%	-	-	1,260,837,087	5,183	-
Illawarra	100%	1,771	1,738	1,328,619,889	6,573	6,276
Total		7,316	7,964	8,877,498,802	37,136	30,633

MANGANESE ORES

Saleable production ('000 tonnes)

South Africa (h)	60%	506	555	579,538,490	2,162	2,099
Australia (h)	60%	282	469	318,379,446	1,612	1,501
Total		788	1,024	897,917,936	3,774	3,600

MANGANESE ALLOYS

Saleable production ('000 tonnes)

South Africa (h)	60%	130	111	106,968,511	397	461
Australia (h)	60%	65	64	67,645,111	245	215
Total		195	175	173,613,622	642	676

Refer footnotes on page 5.

CARBON STEEL MATERIALS (cont'd)

HOT BRIQUETTED IRON

Production ('000 tonnes)

Port Hedland	100%	99	105	291,177,276	848	420
Orinoco (i)	50%	46	48	82,670,000	198	160
Total		145	153	373,243,276	1,046	580

STAINLESS STEEL MATERIALS

NICKEL

Production ('000 tonnes)

CMSA	99.8%	7.5	6.4	6.9	9.4	9.1	31.8	28.9
Yabulu	100%	5.7	6.4	7.5	7.4	7.7	29.0	25.2
Total		13.2	12.8	14.4	6.8	16.8	60.8	54.1

CHROME ORES

Saleable production ('000 tonnes)

Samancor	60%	967	921	898	674	665	3,158	3,726
(h)								

CHROME ALLOYS

Saleable production ('000 tonnes)

Samancor	60%	281	273	249	192	194	908	1,055
(h)								

THERMAL COAL

Production ('000 tonnes)

Ingwe	100%	16,034	14,561	17,814	13,704	14,571	61,323	66,316
New Mexico	100%	3,695	3,080	3,962	2,993	3,890	14,924	14,485
COAL	100%	1,229	1,235	1,227	1,512	1,329	5,303	5,100
Kalimanta	80%	1,876	1,966	2,134	1,032	1,291	8,485	8,001
(j)								
Colombia	16%-33%	-	-	687	709	11,053	2,831	-
(k)								
Total		22,834	20,842	25,821	10,128	13,134	92,866	93,902

OTHER MINERALS

DIAMONDS

Production ('000 carats)

Ekati™	51%	370	309	318	375	427	1,428	1,301
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PETROLEUM

Production

Crude oil (000 & bbl) condensate		20,833	20,820	20,000	9,118	118,378	79,102	79,784
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Natural gas	(bcf)	63.25	61.75	60.83	37.61	71.64	261.83	238.63
LPG	('000 tonnes)	167.36	172.56	155.07	170.62	75.60	673.56	681.68
Ethane	('000 tonnes)	19.94	23.19	9.98	8.69	18.53	67.42	79.82

Refer
footnotes
on page
5.

STEEL

Production ('000 tonnes)

Raw steel	100%	1,338	1,455	1,372	2,277	1,328	5,432	5,461
Marketable steel products	100%	1,268	1,425	1,268	3,345	1,469	5,316	4,883

(a) Interest in Worsley increased from 30% to 86% effective January 2001.

(b) Mozal produced its first metal in June 2000 and achieved full commissioning of its 253,000 tpa capacity in December 2000.

(c) Shown on 100% basis. BHP Billiton holds a 52% equity interest in Ok Tedi.

(d) Included from 1 October 2000, the effective date of the acquisition of Rio Algom.

(e) Coal production is reported on the basis of saleable product. Production figures include some thermal coal.

(f) Shown on 100% basis before 20% outside equity interest.

(g) Production reported represents BHP Billiton's 50% equity interest in MetCoal Holdings. MetCoal Holdings is equally owned by BHP Billiton and Mitsubishi Development Pty Ltd and acquired QCT Resources Limited in November 2000.

(h) Shown on 100% basis. BHP Billiton interest in saleable production is 60%.

(i) BHP Billiton ceased its investment in Orinoco in March 2001.

(j) Production shown on 86.5% basis after allowing for Indonesian state owned corporation's 13.5% share of production.

(k) Colombian thermal coal interests acquired in September and November 2000.

PRODUCTION AND SHIPMENT REPORT

QUARTER ENDED				12 MONTHS TO	
JUNE	SEPT	DECEMBER	JUNE	JUNE	JUNE
2000	2000	2000	2001	2001	2000

ALUMINIUM

BHP Billiton attributable production and sales unless otherwise stated.

('000 tonnes)

ALUMINA

Production

Worsley, Australia (a)	177	206	211541	674	1,632	592
Paranam, Suriname	211	213	215213	211	852	857
Alumar, Brazil	109	120	107114	113	454	429
Total	497	539	533868	998	2,938	1,878

Sales

Worsley, Australia (a)	175	185	205388	725	1,503	624
Paranam, Suriname	205	214	194224	186	818	850
Alumar, Brazil	107	110	116120	116	462	403
Total	487	509	515732	1,027	2,783	1,877

(a) Interest in Worsley increased from 30% to 86% effective January 2001.

ALUMINIUM

Production

Hillside, South Africa	122	126	127122	123	498	494
Bayside, South Africa	43	46	45 44	43	178	177
Alumar, Brazil	43	43	44 42	43	172	171
Valesul, Brazil	10	11	12 11	9	43	41
Mozal, Mozambique (b)	-	7	23 31	32	93	-
Total	218	233	251250	250	984	883

Sales							
Hillside, South Africa	122	126	127	121	124	498	494
Bayside, South Africa	47	41	46	42	50	179	189
Alumar, Brazil	44	42	43	41	45	171	172
Valesul, Brazil	11	11	11	7	12	41	40
Mozal, Mozambique (b)	-	5	20	32	33	90	-
Total	224	225	247	243	264	979	895

(b) Mozal produced its first metal in June 2000 and achieved full commissioning of its 253,000 tpa capacity in December 2000.

PRODUCTION AND SHIPMENT REPORT

	QUARTER ENDED				12 MONTHS TO	
	JUNE	SEPT	DECMAR	JUNE	JUNE	JUNE
	2000	2000	2000	2000	2001	2000

BASE METALS

BHP Billiton attributable production and sales unless otherwise stated.

Escondida, Chile

Material mined ('000 tonnes) (100%)	73,592	75,557	77,436	77,115	304,800	266,726
Sulphide ore milled ('000 tonnes) (100%)	11,528	12,358	11,534	12,650	45,671	46,199
Average copper grade (%)	1.83%	1.85%	1.94%	1.82%	1.89%	1.93%
Production ex Mill ('000 tonnes) (100%)	184.5	199.5	190.4	176.4	725.8	780.9
Production Copper in concentrate ('000 tonnes)	106.0	114.0	109.0	101.8	417.3	449.7

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Gold in (fine concentrate)	(tonnes)	16,358	20,469	17,586	24,652	65,726	75,772
Copper cathode (SXEW)	('000 tonnes)	20.1	20.0	20.5	21.0	83.4	80.2

Sales

Copper in concentrate	('000 tonnes)	117.0	89.4	122.1	13.2	91.2	416.3	459.7
Gold in (fine concentrate)	(tonnes)	19,478	17,582	21,838	14,422	70,656	83,094	
Copper cathode (SXEW)	('000 tonnes)	24.0	22.1	19.8	21.8	23.1	86.8	83.7

OK Tedi, Papua New Guinea (a)

Material mined	('000 tonnes)	21,020	22,299	22,673	22,482	89,698	84,296
Ore milled	('000 tonnes)	7,997	7,371	8,286	8,116	32,023	27,653
Average head grades							
- Copper (%)		0.97%	0.93%	0.91%	0.92%	0.90%	0.88%
- Gold (g/t)		0.98	0.99	0.77	0.82	0.82	0.84

Production

Copper in concentrate	('000 tonnes)	56.0	51.5	55.5	53.5	55.2	216.1	185.4
Gold in (fine concentrate)	(tonnes)	149,565	144,357	130,130	137,547	147,928	521,131	440,239

Sales

Copper in concentrate	('000 tonnes)	46.0	37.6	55.5	55.5	70.0	218.6	187.2
Gold in (fine concentrate)	(tonnes)	122,739	104,586	141,549	137,354	154,354	530,224	432,907

(a) Ok Tedi data shown on 100% basis. BHP Billiton holds a 52% equity interest in Ok Tedi.

Tintaya, Peru

Material mined	('000 tonnes)	16,244	16,394	16,723	15,666	66,447	64,130	59,650
Ore milled	('000 tonnes)	1,519	1,620	1,744	1,429	1,508	6,301	5,709

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Average (%) copper grade	1.61%	1.56%	1.56%	1.47%	1.56%	1.54%	1.68%
Production							
Copper in ('000 concentrate tonnes)	22.0	23.4	24.8	19.1	20.8	88.1	87.3
Gold in (fine concentrate ounces)	9,641	8,173	5,457	7,054	9,050	28,734	39,484
Sales							
Copper in ('000 concentrate tonnes)	21.0	18.3	25.3	12.5	33.1	89.2	86.8
Gold in (fine concentrate ounces)	7,563	6,603	5,431	6,291	9,560	27,223	37,372

Cerro Colorado, Chile (a)

Material ('000 mined tonnes)	-	-	14,957	34,424	17,177	42,475	-
Ore ('000 milled tonnes)	-	-	3,264	4,793	9,546	10,290	-
Average (%) copper grade	-	-	1.08%	1.09%	1.09%	1.09%	-
Production							
Copper ('000 cathode tonnes)	-	-	31	32	34	97	-
Sales							
Copper ('000 cathode tonnes)	-	-	30	33	34	97	-

(a) Cerro Colorado (BHP Billiton 100%) included from 1 October 2000, the effective date of the acquisition of Rio Algom.

Alumbraera, Argentina (a)

Material ('000 mined tonnes) (100%)	-	-	27,823	38,227	27,182	80,834	-
Ore ('000 milled tonnes) (100%)	-	-	7,097	7,041	7,445	21,583	-
Average head grades - Copper (%)	-	-	0.64%	0.71%	0.74%	0.70%	-

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- Gold (g/t)	-	-	0.8	0.8	1.0	0.9	-
Production							
Copper in ('000 concentrated tonnes)	-	-	10.3	11.2	12.4	33.9	-
Gold in (fine concentrated ounces)	-	-	31,250	37,541	41,455	104,459	-
Gold in (fine dore ounces)	-	-	1,922	1,802	2,285	6,009	-
Sales							
Copper in ('000 concentrated tonnes)	-	-	7	9	16	32	-
Gold in (fine concentrated ounces)	-	-	26,879	26,345	35,999	100,453	-
Gold in (fine dore ounces)	-	-	2,114	2,862	2,853	7,837	-

(a) Alumbreira (BHP Billiton 25%) included from 1 October 2000, the effective date of the acquisition of Rio Algom.

Highland Valley, Canada (a)

Material mined ('000 tonnes) (100%)	-	-	21,203	23,104	48,988	59,295	-
Ore milled ('000 tonnes) (100%)	-	-	13,115	15,784	41,355	36,294	-
Average copper grade (%)	-	-	0.42%	0.43%	0.43%	0.43%	-
Production							
Copper in ('000 concentrated tonnes)	-	-	16.0	14.8	14.1	45.0	-
Molybdenum in conc ('000 tonnes)	-	-	0.3	0.2	0.2	0.7	-
Sales							
Copper in ('000 concentrated tonnes)	-	-	10.5	12.8	14.1	37.5	-
Molybdenum in conc ('000 tonnes)	-	-	0.4	0.3	0.3	1.0	-

(a) Highland Valley (BHP Billiton 33.6%) included from 1 October 2000, the effective date of the acquisition of Rio Algom.

Cannington, Australia

Material mined	('000 tonnes)	430	430	460464	507	1,861	1,618
Ore milled	('000 tonnes)	420	408	461422	490	1,781	1,604
Average head grades							
- Silver	(g/t)	667	653	615539	577	599	636
- Lead	(%)	14.0%	14.5%	14.0%	13.2%	13.3%	14.1%
- Zinc	(%)	4.6%	5.1%	6.0%	5.5%	5.4%	5.1%
Production							
Silver in concentrate	('000 ounces)	8,239	8,195	8,196	8,392	31,770	29,664
Lead in concentrate	(tonnes)	53,871	54,029	52,408	57,127	210,872	200,480
Zinc in concentrate	(tonnes)	15,212	15,556	21,358	20,363	76,122	61,754
Sales							
Silver in concentrate	('000 ounces)	8,608	7,485	7,095	7,333	32,693	29,985
Lead in concentrate	(tonnes)	60,503	48,504	45,300	54,466	217,164	205,383
Zinc in concentrate	(tonnes)	18,144	13,853	15,726	20,739	75,113	64,806

Selbaie, Canada

Ore milled	('000 tonnes)	904	327	1,884	902 896	3,682	3,525
Average head grades							
- Zinc	(%)	1.56%	1.61%	1.52%	1.51%	1.51%	1.84%
- Copper	(%)	0.44%	0.45%	0.44%	0.44%	0.44%	0.49%
- Gold	(g/t)	0.38	0.51	0.49	0.46 0.45	0.45	0.40
- Silver	(g/t)	34.85	22.66	29.48	25.60	25.60	43.12
Production							
Zinc in concentrate	(tonnes)	11,231	11,359	11,231	10,740	43,140	44,600
Copper in concentrate	(tonnes)	3,338	3,593	3,308	3,093	13,353	13,500
Gold in	(ounces)	8,426	12,574	10,236	10,141	40,551	33,600

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concentrate							
Silver in ('000 concentrate ounces)	588	494	606	447 337	1,884	2,646	

Sales

Zinc in (tonnes) concentrate	9,351	9,383	9,786	108,406	36,684	44,800	
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Copper in (tonnes) concentrate	3,012	2,983	3,385	258,039	12,665	15,600	
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Gold in (ounces) concentrate	7,029	6,283	11,706	178,207	36,444	44,300	
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Silver in ('000 concentrate ounces)	621	535	494	445 405	1,879	3,005	
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Pering, South Africa

Ore milled ('000 tonnes)	333	336	336	327 345	1,343	1,365	
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Average head grades

- Zinc (%)	1.98%	2.03%	2.22%	2.03% 2.09%	2.09%	2.03%	
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- Lead (%)	0.63%	0.68%	0.68%	0.55% 0.60%	0.64%	0.68%	
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Production

Zinc in (tonnes) concentrate	4,831	5,005	5,499	105,398	20,912	20,654	
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Lead in (tonnes) concentrate	1,446	1,616	1,601	132 1,486	6,024	6,417	
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Sales

Zinc in (tonnes) concentrate	5,304	4,927	4,988	175,063	20,149	20,631	
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Lead in (tonnes) concentrate	1,914	1,702	1,246	587 1,493	6,028	7,637	
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San Manuel, USA

Production

Copper cathode ('000 tonnes) (SXEW)	3.0	2.8	2.7	2.5 2.3	10.3	13.1	
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Pinto Valley, USA

Production

Copper cathode ('000 tonnes)	4.3	4.3	4.4	4.0 3.8	16.4	18.2	
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(SXEW)

PRODUCTION AND SHIPMENT REPORT

	QUARTER ENDED				12 MONTHS TO	
	JUNE	SEPT	DECEMBER	JUNE	JUNE	JUNE
	2000	2000	2000	2000	2001	2000

CARBON STEEL MATERIALS

BHP Billiton attributable production and sales unless otherwise stated.

('000 tonnes)

IRON ORE (a)

Pilbara, Western Australia

Production						
Mt	6,030	5,620	5,500	15,239	20,952	19,396
Newman						
Joint						
Venture						
Goldsworthy	1,424	1,630	1,730	4,788	6,604	6,114
Joint						
Venture						
Yandi	6,570	7,080	5,840	19,482	26,148	22,618
Joint						
Venture						
Jimblebar	1,246	1,130	1,250	3,626	4,641	4,923
Total	15,270	15,460	14,320	45,181	58,345	53,051
Shipments						
Lump	3,587	3,940	3,730	11,257	15,446	14,076
Fines	11,239	11,040	11,400	34,324	45,151	39,598
Total	14,826	14,980	15,130	45,581	60,597	53,674

(a) Iron ore production and shipments are reported on a wet tonnes basis.

Samarco, Brazil

Production	1,790	1,820	1,910	5,520	7,509	6,765
Shipments	1,715	1,670	2,150	5,535	6,971	7,195

METALLURGICAL COAL (a)

Queensland, Australia

Production						
<u>COCA</u>						
Blackwater	839	1,056	1,076	661,130	4,328	3,547
Goonyella	836	924	965	9671,122	3,977	3,453
Peak Downs	831	893	886	571 779	3,129	3,612
Saraji	558	608	433	504 530	2,074	2,319
Norwich Park	533	480	434	411 503	1,828	2,069
CQCA total	3,597	3,961	3,794	519,064	15,336	15,000
<u>Gregory Joint Venture</u>						
Gregory	125	297	109	292 382	1,081	810
Crinum	578	554	861	553 578	2,545	2,439
Gregory JV total	703	851	970	845 960	3,626	3,249
<u>BHP Mitsui Coal (b)</u>						
Moura (c)	-	-	-	- - -	-	554
Riverside	563	745	727	834 966	3,272	3,021
South Walker Creek	682	669	798	844 836	3,146	2,533
BHP Mitsui Coal total	1,245	1,414	1,525	6781,802	6,418	6,108
<u>Queensland total</u>	5,545	6,226	6,289	042,826	25,380	24,357
Shipments						
Coking coal	4,177	4,554	4,669	404,813	18,437	17,744
Weak coking coal	1,111	1,065	1,466	1381,245	4,914	4,574
Thermal coal	512	633	657	474 624	2,387	1,943
Total	5,800	6,252	6,792	2013,682	25,738	24,261

(a) Coal production is reported on the basis of saleable product. Production figures include some thermal coal.

(b) BHP Mitsui Coal production shown on 100% basis before 20% outside equity interest.

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(c) Moura sold in August 1999.

QCT Resources, Australia (a)

Production					
CQCA	-	-	7320931,263	3,087	-
Gregory	-	-	173213 242	628	-
Joint					
Venture					
South	-	-	355531 582	1,468	-
Blackwater					
Total	-	-	1,2608372,087	5,183	-
Shipments					
Coking	-	-	8766331,476	3,985	-
coal					
Weak	-	-	146227 231	604	-
coking					
coal					
Thermal	-	-	245209 268	722	-
coal					
Total	-	-	1,2670691,975	5,311	-

(a) Production and shipments reported represents BHP Billiton's 50% equity interest in MetCoal Holdings. MetCoal Holdings is equally owned by BHP Billiton and Mitsubishi Development Pty Ltd and acquired QCT Resources Limited in November 2000.

Illawarra, Australia

Production	1,771	1,738	1,3286191,889	6,573	6,276
Shipments					
Coking	1,573	1,326	1,51124101,686	5,933	5,748
coal					
Thermal	85	128	165 67 246	606	469
coal					
Total	1,658	1,454	1,6774771,932	6,539	6,217

MANGANESE ORES

South Africa

Saleable production (a)	506	555	579538 490	2,162	2,099
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(a) Shown on 100% basis, BHP Billiton interest in saleable production is 60%.

Australia

Saleable production (a)	282	469	318379	446	1,612	1,501
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(a) Shown on 100% basis, BHP Billiton interest in saleable production is 60%.

MANGANESE ALLOYS

South Africa

Saleable production (a)	130	111	106	96	85	397	461
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(a) Shown on 100% basis, BHP Billiton interest in saleable production is 60%.

Australia

Saleable production (a)	65	64	67	64	51	245	215
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(a) Shown on 100% basis, BHP Billiton interest in saleable production is 60%.

HOT BRIQUETTED IRON

Port Hedland, Australia

Production	99	105	291177	276	848	420
Shipments	72	54	107238	342	741	404

Orinoco, Venezuela (a)

Production	46	48	82	67	-	198	160
Shipments	47	40	66	52	-	159	169

(a) BHP Billiton ceased its investment in Orinoco in March 2001.

PRODUCTION AND SHIPMENT REPORT

	QUARTER ENDED				12 MONTHS TO	
	JUNE	SEPT	DECMAR	JUNE	JUNE	JUNE
	2000	2000	2000	2001	2001	2000

STAINLESS STEEL MATERIALS

BHP Billiton attributable production and sales unless otherwise stated.

('000 tonnes)

NICKEL

CMSA, Colombia

Production	7.5	6.4	6.9	9.4	9.1	31.8	28.9
Sales	7.4	6.4	5.5	8.8	10.2	30.9	28.6

Yabulu, Australia

Production							
Nickel	5.7	6.4	7.5	7.4	7.7	29.0	25.2
Cobalt	0.4	0.4	0.4	0.5	0.5	1.8	1.6
Sales							
Nickel	7.4	6.3	6.3	6.5	8.2	27.3	26.6
Cobalt	0.3	0.4	0.4	0.4	0.4	1.6	1.5

CHROME ORES

South Africa

Saleable production (a)	967	921	898	674	665	3,158	3,726
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(a) Shown on 100% basis, BHP Billiton interest in saleable production is 60%.

CHROME ALLOYS

South Africa

Saleable production (a)	281	273	249	192	194	908	1,055
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(a) Shown on 100% basis, BHP Billiton interest in saleable production is 60%.

PRODUCTION AND SHIPMENT REPORT

	QUARTER ENDED				12 MONTHS TO	
	JUNE	SEPT	DECMAR	JUNE	JUNE	JUNE
	2000	2000	2000	2001	2001	2000

THERMAL COAL

BHP Billiton attributable production and sales unless otherwise stated.

('000 tonnes)

Ingwe, South Africa

Production	16,034	14,561	17,811	17,379	61,323	66,316
Sales						
Export	6,287	6,569	6,489	6,164	25,778	25,800
Local utility	8,735	7,098	10,273	9,576	31,148	34,900
Inland	1,375	1,217	1,473	2,071	5,007	5,400
Total	16,397	14,884	18,235	18,488	61,933	66,100

New Mexico, USA

Production						
Navajo Coal	1,976	1,544	2,119	1,983	7,671	8,365
San Juan Coal	1,719	1,536	1,843	1,551	7,253	6,120
Total	3,695	3,080	3,962	3,533	14,924	14,485
Sales - local utility	3,208	3,785	3,565	3,563	14,351	13,607

COAL, Australia

Production	1,229	1,235	1,227	1,121	5,303	5,100
Sales						
Export	1,024	949	685	1,901	4,025	4,100
Inland	229	392	235	396	1,422	1,000
Total	1,253	1,341	920	586	5,447	5,100

Kalimantan, Indonesia (a)

Production						
Senakin	928	905	1,050	924	3,996	4,019
Satui	703	818	871	926	3,637	3,068
Petangis	245	243	213	185	852	914

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Total	1,876	1,966	2,134	2,291	8,485	8,001
Sales - export	2,179	2,075	2,049	2,308	8,375	8,197

(a) Reported on 86.5% basis after allowing for the Indonesian state-owned corporation's 13.5% share of all production.

CDC & CZN, Colombia (a)

Production	-	-	687	11,053	2,831	-
Sales - export	-	-	676	102,959	2,737	-

(a) BHP Billiton acquired a one third interest in CDC in September 2000. A consortium owned equally by BHP Billiton, Anglo American and Glencore International acquired a 50% interest in CZN in November 2000.

PRODUCTION AND SHIPMENT REPORT

	QUARTER ENDED				12 MONTHS TO	
	JUNE	SEPT	DECMAR	APR	JUNE	JUNE
	2000	2000	2000	2001	2001	2000

OTHER MINERALS

BHP Billiton attributable production and sales unless otherwise stated.

DIAMONDS

Ekati, Canada

Production ('000 carats)	370	309	318	375,427	1,428	1,301
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PLATINUM GROUP METALS (ounces)

Hartley, Zimbabwe (a)

Production						
Platinum in final leach concentrate	-	-	-	-	-	9,063
Palladium in final leach concentrate	-	-	-	-	-	6,944
Rhodium in	-	-	-	-	-	611

final leach
concentrate

Shipments

Platinum in final leach concentrate	3,402	-	-	-	-	-	23,149
Palladium in final leach concentrate	2,701	-	-	-	-	-	17,018
Rhodium in final leach concentrate	172	-	-	-	-	-	1,711

(a) Sale of Hartley
finalised in December
2000.

PRODUCTION AND SHIPMENT REPORT

	QUARTER ENDED				12 MONTHS TO	
	JUNE 2000	SEPT 2000	DECEMBER 2000	MARCH 2001	JUNE 2001	JUNE 2000

PETROLEUM

BHP Billiton attributable production unless otherwise stated.

CRUDE OIL & CONDENSATE ('000 barrels)

Bass Strait	8,282	7,807	7,096	6,990	6,946	28,833	35,918
North West Shelf - condensate	1,378	1,225	1,144	1,240	1,239	4,848	5,656
North West Shelf - Wanaea/Cossack Laminaria	1,764	1,682	1,885	1,820	1,757	7,145	5,764
(a) Buffalo	897	757	763	-	-	1,520	2,854
(b) Griffin	1,223	1,991	1,724	2,411	1,194	7,141	5,659
(c) Pakistan	-	-	-	3	14	15	-
(d) Papua New Guinea	-	-	-	-	-	-	1,178
Americas	754	826	944	941	958	3,669	3,552

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Liverpool Bay	2,218	1,716	1,978	2,462,516	8,678	7,497
Bruce/Keith (e)	428	447	601	674 678	2,400	2,524
Total	20,833	20,820	20,009	118,378	79,102	79,784

NATURAL GAS (billion cubic feet)

Bass Strait	23.49	27.78	18.96	29.126.75	96.40	79.57
North West Shelf - Domestic	3.09	3.13	3.28	3.29 3.81	13.50	13.00
North West Shelf - LNG	14.26	15.19	13.83	1.2413.47	56.74	60.07
Griffin	0.48	0.75	0.82	0.73 0.84	3.14	1.43
Pakistan (c)	-	-	0.40	2.03	2.43	-
Americas	5.31	5.21	5.38	5.19 5.52	21.30	17.88
Bruce	6.52	5.01	9.38	0.43 7.59	32.41	28.30
Keith (e)	-	-	0.11	0.24 0.25	0.60	-
Liverpool Bay	10.10	4.68	9.07	0.1811.38	35.31	38.38
Total	63.25	61.75	60.87	7.6171.64	261.83	238.63

LPG ('000 tonnes)

Bass Strait	118.25	127.94	95.17	0.21117.66	454.24	491.59
North West Shelf	30.33	31.48	30.69	0.441.65	124.26	121.58
Griffin	1.08	1.57	1.50	0.51 -	3.58	4.11
Bruce	17.70	11.57	26.72	3.0124.85	86.15	64.40
Keith (e)	-	-	0.43	3.45 1.44	5.33	-
Total	167.36	172.56	155.17	0.6275.60	673.56	681.68

ETHANE ('000 tonnes)

19.94	23.19	9.98	5.6918.53	67.42	79.82
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METHANOL ('000 tonnes)

7.56	-	-	- - -	-	35.14
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(a) Laminaria commenced production in November 1999.

(b) Buffalo sold effective September 2000.

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(c) Zamzama extended well test commenced in March 2001.

(d) PNG assets sold in December 1999.

(e) Keith commenced production in November 2000.

PRODUCTION AND SHIPMENT REPORT

	QUARTER ENDED				12 MONTHS TO	
	JUNE 2000	SEPT 2000	DECEMBER 2000	JUNE 2001	JUNE 2001	JUNE 2000

STEEL

BHP Billiton attributable production unless otherwise stated.

('000 tonnes)

PRODUCTION

Iron Sands

NZS, New Zealand	699	723	712	74 478	2,187	2,587
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Coke

Port Kembla, Australia	599	616	599	578 643	2,436	2,396
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Iron

Port Kembla, Australia	1,211	1,298	1,231	1,171,269	4,976	4,921
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Raw Steel

Port Kembla, Australia	1,223	1,308	1,226	1,201,176	4,830	4,906
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NZS, New Zealand	115	147	146	157 152	602	555
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Total	1,338	1,455	1,372	2,771,328	5,432	5,461
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Delta, Ohio (a)	183	193	186	190 197	766	688
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Marketable Steel Products

Flat Products						
Flat and Tinplate products	1,181	1,242	1,152	2,094,183	4,671	4,729

Coated Products							
Rolled and coated products	534	531	464	462	474	1,931	2,120
Flat and coated products (NZS)	108	137	125	139	135	537	533
Rolled and coated products (offshore)	92	70	98	81	89	338	313
Building products (includes offshore)	62	40	34	42	42	154	197
Total (b)	1,268	1,425	1,268	1,345	1,469	5,316	4,883
Delta, Ohio (a)	179	189	182	186	193	750	675

DESPATCHES (c)

Business unit despatches

Flat Products	1,267	1,243	1,069	1,098	1,294	4,704	4,661
Coated Products	772	732	691	666	813	2,903	3,052
Total (d)	1,356	1,236	1,237	1,282	1,587	5,343	4,858

External despatches

Australia Domestic (e)	466	485	503	515	585	2,089	1,921
Export	670	541	515	546	757	2,359	2,051
New Zealand Domestic (e)	42	67	62	56	55	240	184
Export	84	68	55	77	97	298	373
Other offshore	94	75	102	88	93	357	329
Total	1,356	1,236	1,237	1,282	1,587	5,343	4,858
Delta, Ohio (a)	174	190	177	190	191	748	673

(a) Production and despatches reported is that proportion determined by BHP Billiton's equity interest in North Star BHP LLC (50%).

(b) Total excludes production for intra-business sales. Therefore, the total figure is less than the sum of the individual businesses.

(c) Steel products only. Excludes pig iron and by-products.

(d) Total excludes intra-business sales. Therefore, the total figure is less than the sum of the individual businesses.

(e) Includes despatches to OneSteel Limited from 1 November 2000.

PRODUCTION AND SHIPMENT REPORT

	QUARTER ENDED				12 MONTHS TO	
	JUNE	SEPT	DECMAR	JUNE	JUNE	
	2000	2000	2000	2001	2000	

STEEL - DISCONTINUED OPERATIONS (a)

BHP Billiton attributable production unless otherwise stated.

('000 tonnes)

PRODUCTION

Iron Ore

Whyalla, Australia	658	656	254	-	-	909	2,817
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Coke

Whyalla, Australia	146	149	49	-	-	198	761
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Iron

Whyalla, Australia	295	270	102	-	-	372	1,568
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Raw Steel

Whyalla, Australia	266	245	99	-	-	344	1,005
Newcastle, Australia	-	-	-	-	-	-	434
Sydney, Australia	115	128	36	-	-	164	397
Total	381	373	135	-	-	508	1,836

Marketable Steel Products

Long products	767	551	171	-	-	723	2,640
Other offshore (USA)	107	-	-	-	-	-	430
(b) Total (b)	876	540	171	-	-	711	3,125

DESPATCHES (c)

Business unit despatches

Long Products	662	527	166	-	-	701	2,667
Other offshore (USA)	107	-	-	-	-	-	430
(b) Total (d)	769	527	166	-	-	692	3,047

External despatches

Australia Domestic	565	482	150	-	-	631	2,170
Export	98	45	16	-	-	61	448
Other offshore (USA)	107	-	-	-	-	-	430
(b) Total	769	527	166	-	-	692	3,048

(a) Data tables reflect the spin-out of OneSteel Limited from BHP Billiton effective 31 October 2000.

(b) US steel businesses were sold in June 2000.

(c) Steel products only. Excludes pig iron and by-products.

(d) Total excludes intra-business sales. Therefore, the total figure is less than the sum of the individual businesses.