

BHP BILLITON LTD
Form 6-K
August 24, 2001

PRELIMINARY RESULTS FOR THE YEAR ENDED 30 JUNE 2001

PART A: BHP BILLITON NEWS RELEASE

The attached material contains the preliminary (unaudited) results for the year ended 30 June 2001 for BHP Billiton.

Given the date on which the merger between BHP and Billiton was completed (29 June 2001) and the differing reporting requirements in Australia and the UK, the financial information for this first year has been prepared in three ways:

- ◆ for the BHP Billiton Limited Group as a stand alone group
- ◆ for the BHP Billiton Plc Group as if a stand alone group; and
- ◆ for the BHP Billiton Limited and BHP Billiton Plc groups combined.

This pack of material contains 5 parts:

Part A News Release (containing CEO and Managing Director's comments).

Part B Explanation of the structure of the Preliminary Report including summary of key financial information.

Part C Results for the BHP Billiton Limited and BHP Billiton Plc groups combined.

Prepared using the merger method of accounting as though BHP Billiton Limited and BHP Billiton Plc had been merged for the whole of the period.

Part D Results for the BHP Billiton Limited Group.

Prepared for the BHP Billiton Limited Group as a stand alone group and compares the results with the previous year. This is the release that shareholders of BHP Limited will be familiar with from prior years.

Part E Pro forma results for the BHP Billiton Plc Group.

Prepared for the BHP Billiton Plc Group as if it had been a stand alone group.

Users are encouraged to read Part B, which provides further detail on the method of reporting that has been adopted.

Karen J Wood

Company Secretary

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News Release

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Number: 10/01

BHP BILLITON ANNOUNCES RECORD COMBINED RESULT OF US\$2.2 BILLION

The BHP Billiton Group (BHP Billiton) today announced a record combined attributable profit of US\$2,189 million, excluding exceptional items, for the 12 months to 30 June 2001. Earnings

per share, excluding exceptional items, for the year was US\$0.37, compared with US\$0.30 for the previous year.

The result represents the combined attributable profit of BHP Billiton Limited and BHP Billiton Plc and is an increase of US\$446 million, or 26 per cent, compared with the 2000 financial year combined results.

BHP Billiton CEO and Managing Director Paul Anderson said: "This is an outstanding result that demonstrates BHP Billiton's financial strength, earnings capability across a wide range of world-class businesses and underlying balance sheet strength."

Including exceptional items, the result for the 12 months ended 30 June 2001 was US\$1,529 million, an improvement of US\$23 million compared with the 2000 financial year. The result includes transaction costs associated with the

merger of US\$92 million, a US\$410 million charge to profit related to HBI Venezuela and a US\$148 million charge to profit for the write-off of BHP Billiton's share of the net assets in the Ok Tedi copper project (Papua New Guinea).

Mr Anderson said both sides of the BHP Billiton Group had delivered record financial results

(on a pre-merger basis) and made significant progress in delivering value-adding growth.

BHP Billiton Limited

"BHP Billiton Limited's record result of A\$2 billion was achieved despite charges to profit associated with our decision to cease further investment in HBI Venezuela and the write-down at Ok Tedi. Attributable net profit was up 27 per cent on last year, which was also a record result.

"We also improved the fundamental financial performance of the Company and excellent progress was made in reinvigorating the quality of the portfolio. The fix-up, clean-up stage was all but complete last year and we made a number of hard portfolio decisions.

"In addition, we successfully completed two other major transactions; the spin-out of OneSteel and the joint acquisition of QCT Resources with Mitsubishi - and subsequent equalisation of ownership interests in the metallurgical coal business.

"Quite apart from the merger with Billiton, we committed to a number of important new growth projects including Escondida Phase IV (Copper, Chile), North West Shelf Train 4 (LNG, Australia), the Ohanet (Gas/Liquids) development in Algeria, San Juan underground (Coal, United States), Tintaya Oxide (Copper, Peru), the Blackwater mine integration (Coal, Australia), and Laminaria Phase II (Oil, Australia). Total commitment for these projects was about A\$3 billion (US\$1.5 billion). Over two thirds of the funds committed were to extensions of existing projects, thereby providing low-risk, higher value incremental growth.

"Operationally, we achieved a number of important milestones during the year. Production and shipment records were set in our iron ore business, metallurgical coal production was significantly higher during the period, we commenced contractual gas sales from the Extended Well Test on the Zamzama gas field (Pakistan), and the Typhoon oil field development in the deepwater Gulf of Mexico was brought into production less than 18 months from project sanctioning and under budget."

BHP Billiton Plc

Mr Anderson said BHP Billiton Plc also had an outstanding year in financial, operational and growth terms. Excluding exceptional items, operating profit increased 33 per cent to a record US\$1.12 billion and attributable profit increased 22 per cent to a record US\$693 million.

"BHP Billiton Plc continued its strategy of aggressive growth during the year, with the US\$1.2 billion acquisition of Rio Algom and a 56 per cent increase in its ownership of Worsley Alumina (Western Australia), consolidating BHP Billiton Plc's global position at the bottom of the alumina cost curve, while securing feedstock for the Mozal (Aluminium, Mozambique) and Hillside (Aluminium, South Africa) operations.

"During the year BHP Billiton Plc also successfully completed construction and commissioning at the Mozal aluminium smelter, the Cerro Matoso (Colombia) nickel expansion, and achieved mechanical completion at the Antamina copper project (Peru) and the Worsley refinery expansion. All were completed ahead of schedule and under budget, with the production and revenue stream now flowing through to BHP Billiton shareholders.

"In addition, BHP Billiton Plc established a substantial production base in energy coal through the acquisition of equity positions in Carbones del Cerrejon and Cerrejon Zona Norte (Colombia), providing the Group with access to energy coal resources on three continents; Australia, South America and South Africa.

"BHP Billiton Plc continued to improve its operational efficiency during the year. Excluding the beneficial impact of exchange rates and commodity price-linked cost movements, unit operating costs were reduced by two per cent in real terms," Mr Anderson said.

Group Result

"Individually both companies have a great story - put them together and it's even better. We set out to create an industry leader. A new Group that would have the strength of a diversified portfolio of outstanding assets, tremendous financial flexibility and enhanced opportunities for growth, through a powerful inventory of projects.

"That was the vision. This vision is given real substance in the inaugural result.

"On a pre-exceptionals basis, the BHP Billiton Group generated EBITDA of US\$5.3 billion. In balance sheet terms, gearing was 38 per cent and the pre-exceptional EBITDA interest cover ratio was 11.1 times. Even with over US\$1 billion in exceptional items, the EBITDA interest cover ratio was 8.8 times.

"The Group spent US\$6 billion on acquisitions and new project developments during the last financial year. The full financial benefits of this investment will be realised by shareholders over the coming years.

"The BHP Billiton Group has an impressive base of cash generating assets; with a long pipeline of growth projects and a sufficiently flexible and strong balance sheet to fund both internally generated and other identified opportunities."

Integration

Commenting on the integration, Mr Anderson said progress had exceeded expectations.

"The planning and execution of the integration has been thoroughly planned and executed in a professional way. Our new management teams and structure have been in place since day one of the merger completion, enabling us to maintain the momentum that has been such a key driver of the performance over the past year.

"Since the merger was announced, we have committed to the Mozal 2 expansion and to the development of the Mount Arthur North energy coal mine (Australia). We have also completed the acquisition of

Dia Met (Diamonds, Canada), finalised the Queensland metallurgical coal equalisation and announced the sell-down of our interest in the Columbus Stainless Steel Joint Venture (South Africa).

"Probably the most powerful achievement of the integration teams was to initiate new and innovative thinking about how we create value across our businesses. The merger presented a unique opportunity to do this; it delivered a distinctive new combination of assets, with a global footprint in virtually every significant resource commodity, across the world's key mining regions and across the key customer bases for those products."

Mr Anderson said strong EBIT contributions were recorded from the Customer Sector Groups (excluding exceptional items), with Carbon Steel Materials (up US\$356 million or 66 per cent), Petroleum (up US\$346 million or 33 per cent) and Energy Coal (up US\$245 million or 179 per cent) being the standout performers.

"The Customer Sector Groups (CSGs) will have significant autonomy to manage and grow their businesses within a centralised capital deployment discipline. They will be as outwardly focussed on their markets and customers, as on the efficient management of the assets themselves.

"Each of the CSGs is currently reviewing its portfolio, developing its strategy and business plan, and establishing detailed plans to deliver the merger benefits."

Steel Public Listing

The public listing of BHP Billiton Limited's remaining Steel business is on track for completion by the end of FY2002. Progress to date has been significant and includes the agreement of key objectives and establishment of project teams. A selection process is also currently underway for the Chairman and a number of key senior appointments, including the Board and management, are anticipated in coming months.

Outlook

Commenting on the global commodity outlook, Mr Anderson said: "While we may be less than happy with the current prices of copper or nickel, we take some comfort that our overall portfolio provides diversification markedly superior to most companies in the resources sector.

"This diversification enables us to have a much stronger and more stable cash flow stream; to be able to be more opportunistic during stages of the market cycle where opportunities are appropriately valued; and to have a level of dispassion about the longevity of individual assets in the portfolio which a smaller player would find difficult.

"We have a powerful combination of exchange traded commodities (aluminium, copper and nickel) and, just as importantly, a broad spread of negotiated, non-terminal commodities such as metallurgical and energy coal, manganese and iron ore. Our positions in titanium minerals and diamonds, while not large businesses in their own right, provide us with further diversification.

"There are also other factors which differentiate the BHP Billiton portfolio. Of particular significance is the inclusion of oil and gas, which makes the Group unique from its diversified peers.

"We have clearly stated that the Petroleum business is a key part of the portfolio. Its high quality assets, strong financial performance, significant earnings contribution and growth potential make Petroleum an important part of the BHP Billiton Group.

"In addition, we have flagged our strategic intent to develop an energy capability, encompassing our energy coal, liquids and potentially expanded LNG presence."

Future Activities

Mr Anderson said: "In this current financial year you will see BHP Billiton gather even greater momentum; an unfolding of our strategic direction; commitment to further growth projects;

and a willingness and capability to participate in industry consolidation as appropriate value opportunities present themselves.

"The momentum of the two teams and a shared vision of value creation brought us together in the merger. Now the combined BHP Billiton Group is far greater than the sum of its previous parts and we look forward to delivering continued outstanding performance."

BHP Billiton is a world leading diversified resources Group and creates value through the discovery, development and conversion of natural resources and the provision of innovative customer and market-focused solutions. The Group is a Dual Listed Company, comprised of BHP Billiton Limited and BHP Billiton Plc, and is headquartered in Australia.

Further information about the BHP Billiton Group can be found at: <http://www.bhpbilliton.com> **or contact:**

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BHP BILLITON

PRELIMINARY RESULTS

FOR THE YEAR ENDED 30 JUNE 2001

PART B

SUMMARY OF RESULTS:

Explanation of Structure of the Preliminary Results Report

Summary Key Financial Information

BHP BILLITON

PRELIMINARY RESULTS FOR THE YEAR ENDED 30 JUNE 2001

PART B

BHP BILLITON GROUP RESULTS

Explanation of the structure of the Preliminary Results Report

On 29 June 2001, BHP Billiton Ltd (previously known as BHP Ltd) and BHP Billiton Plc (previously known as Billiton Plc) entered into a dual listed companies ("DLC") merger. This was effected by contractual arrangements between the companies and amendments to their constitutional documents.

The effect of the DLC merger is that BHP Billiton Ltd and its subsidiaries and BHP Billiton Plc and its subsidiaries operate together as a single economic entity, with each company's shareholders having common economic interests in both groups. However, the DLC merger did not involve the change of legal ownership of any assets of BHP Billiton Ltd or BHP Billiton Plc or any change of ownership of any existing shares or securities of BHP Billiton Ltd or BHP Billiton Plc and each continue as separate, publicly quoted companies bound by reporting and other regulations in Australia and the UK respectively.

Throughout the preliminary results report, "BHP Billiton Group", "BHP Billiton" or "Group" refers to the combined group comprising BHP Billiton Limited and its subsidiaries, together with BHP Billiton Plc and its subsidiaries.

Since reporting requirements differ in the Australian and UK jurisdictions and in view of the proximity of the implementation of the DLC merger to the financial year end, the financial information in this preliminary announcement, which is unaudited, is presented on three different bases as follows.

- *Part C: BHP Billiton Group Results*

In this Part of the preliminary announcement, the financial information has been prepared under UK GAAP and is presented in US dollars.

It is prepared as though the BHP Billiton Ltd Group and the BHP Billiton Plc Group have always been combined using the merger method of accounting.

This is the basis of preparation that will be used in preparing the consolidated accounts of BHP Billiton Plc to be included in its Annual Report.

• *Part D: BHP Billiton Ltd Group Results*

In this Part of the preliminary announcement, the financial information has been prepared under Australian GAAP and is presented in Australian dollars. It is presented in 2001 on the basis that the consummation of the DLC merger on 29 June 2001 had no effect on the financial results of the BHP Billiton Ltd Group except that merger related costs have been recognised and certain accounting policies have changed to align where possible with the policies of BHP Billiton Plc.

The financial information does not include the results, assets and liabilities or cash flows of the BHP Billiton Plc Group.

This is consistent with the basis of preparation of the consolidated financial statements of BHP Billiton Ltd to be reported in its Annual Report. In addition, the financial statements will include this year a note setting out details of the DLC merger and a pro forma Statement of Financial Position combining those of the BHP Billiton Ltd and BHP Billiton Plc Groups, each being prepared in accordance with Australian GAAP.

• *Part E: BHP Billiton Plc Group Pro forma Results*

In this Part of the preliminary announcement, the financial information has been prepared under UK GAAP (except that it does not reflect the DLC merger) and is presented in US dollars. It is presented on the basis that the consummation of the DLC merger had no effect on the financial information of the BHP Billiton Plc Group for 2001 except that merger related costs have been recognised and certain accounting policies have changed to align where possible with the policies of BHP Billiton Ltd.

The financial information does not include the results, assets and liabilities or cash flows of the BHP Billiton Limited Group.

This information is pro forma information and will not appear in the statutory accounts of any entity. It is provided to enable users to understand the results of the BHP Billiton Plc Group as they have previously been presented solely in view of the proximity of the implementation of the DLC merger to the financial year end.

This is the last time that financial information will be presented for the BHP Billiton Plc Group standalone.

Summary Key Financial Information

BHP Billiton Group Results

| US\$m | 2001 | 2000 | Change % |
|-------------------------------|--------|--------|----------|
| Turnover | 19,079 | 18,402 | 3.7 |
| EBITDA | | | |
| - excluding exceptional items | 5,299 | 4,775 | 11.0 |
| - including exceptional items | 4,211 | 4,015 | 4.9 |

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| | | | |
|----------------------------------|--------|--------|-------|
| EBIT | | | |
| - excluding exceptional items | 3,627 | 3,027 | 19.8 |
| - including exceptional items | 2,539 | 2,267 | 12.0 |
| Attributable profit | | | |
| - excluding exceptional items | 2,189 | 1,743 | 25.6 |
| - including exceptional items | 1,529 | 1,506 | 1.5 |
| Basic earnings per share (cents) | | | |
| - excluding exceptional items | 36.8 | 30.4 | 21.1 |
| - including exceptional items | 25.7 | 26.3 | (2.3) |
| Net operating assets | 21,468 | 19,711 | 8.9 |

BHP Billiton Limited Group Results

| A\$m | 2001 | 2000 | Change % |
|----------------------------------|--------|--------|----------|
| Sales revenue | 20,698 | 19,872 | 4.2 |
| EBITDA | 5,530 | 4,404 | 25.6 |
| EBIT | 2,575 | 1,600 | 60.9 |
| Attributable net profit | 2,007 | 1,581 | 26.9 |
| Basic earnings per share (cents) | 54.4 | 43.3 | 25.6 |
| (adjusted for bonus issue) | | | |
| Net assets | 11,248 | 11,005 | 2.2 |

BHP Billiton Plc Group Pro Forma Results

| US\$m | 2001 | 2000 | Change % |
|-------------------------------|-------|-------|----------|
| Turnover | 7,333 | 5,550 | 32.1 |
| EBITDA | | | |
| - excluding exceptional items | 1,646 | 1,236 | 33.2 |
| - including exceptional items | | 1,236 | 18.4 |
| | 1,463 | | |
| EBIT | | | |
| - excluding exceptional items | 1,138 | 851 | 33.7 |
| - including exceptional items | 955 | 851 | |

| | | | |
|----------------------------------|--------|-------|-------|
| | | | 12.2 |
| Attributable profit | | | |
| - excluding exceptional items | 693 | 566 | 22.4 |
| - including exceptional items | | 566 | - |
| | 565 | | |
| Basic earnings per share (cents) | | | |
| - excluding exceptional items | 30.7 | 27.3 | 12.5 |
| - including exceptional items | 25.1 | 27.3 | (8.1) |
| Net operating assets | 11,263 | 7,169 | 57.1 |

BHP BILLITON

PRELIMINARY RESULTS

FOR THE YEAR ENDED 30 JUNE 2001

PART C

BHP BILLITON GROUP RESULTS

BHP BILLITON

PRELIMINARY RESULTS FOR THE YEAR ENDED 30 JUNE 2001

PART C

BHP BILLITON GROUP RESULTS

Part C1: Operating and Financial Review

Highlights

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- Attributable profit, excluding exceptional items, for 2001 of US\$2,189 million, an increase of 26% from the previous year (2000 - US\$1,743 million).
- Attributable profit, including exceptional items, of US\$1,529 million (2000 - US\$1,506 million).
- Higher received prices, higher production and generally favourable exchange rate movements were the principal factors influencing the improved result.
- Strong EBIT contributions, excluding exceptional items, from Carbon Steel Materials (+US\$356m +66%), Petroleum (+US\$346m +33%), Energy Coal (+US\$245m +179%) and Aluminium (+US\$85m +19%) partly offset by lower contributions from Steel (-US\$132m -33%) and Stainless Steel Materials (-US\$126m -62%).
- Growth projects successfully commissioned: Aluminium - Mozal 1 and Worsley expansion; Base Metals - Antamina; Stainless Steel Materials - Cerro Matoso 2 and Yabulu.
- Commitment of approximately US\$2.1 billion capital expenditure on new growth projects.
- Portfolio restructuring: equalisation of Queensland metallurgical coal interests; cessation of investment in HBI Venezuela; progress in agreeing terms to exit the Ok Tedi copper mine, (Papua New Guinea); reduction of equity in Ohanet liquids/gas field (Algeria) and sale of interest in Buffalo oil field; announcement of intention to spin-out BHP Billiton Ltd's remaining Steel assets.
- Good progress on merger integration with an organisational structure established, senior appointments made and governance structures in place. Restructuring costs committed at year end amounted to US\$42 million.
- Sound financial leverage ratios - EBITDA interest cover (excluding exceptional items) of 11.1x, gearing of 38.4%.

BHP Billiton Group Financial Strength

The financial results for the year ended 30 June 2001 for the BHP Billiton Group demonstrate the financial strength of the new merged group, exemplified by strong cash flow generation, earnings capability across a range of world-class business operations and underlying balance sheet strength.

The accompanying table provides the key financial information for the BHP Billiton Group as at 30 June 2001, comparative with the corresponding period.

| Year ended 30 June US\$m | 2001 | 2000 | % Change |
|-------------------------------|--------|--------|----------|
| Group turnover (a) | 19,079 | 18,402 | 3.7 |
| EBITDA | | | |
| - excluding exceptional items | 5,299 | 4,775 | 11.0 |
| - including exceptional items | 4,211 | 4,015 | 4.9 |
| EBIT | | | |
| - excluding exceptional items | 3,627 | 3,027 | 19.8 |
| - including exceptional items | 2,539 | 2,267 | 12.0 |
| Attributable profit | | | |
| - excluding exceptional items | 2,189 | 1,743 | 25.6 |
| - including exceptional items | 1,529 | 1,506 | 1.5 |

| | | | |
|---|--------|--------|-------|
| Basic earnings per share (cents) | | | |
| - excluding exceptional items | 36.8 | 30.4 | 21.1 |
| - including exceptional items | 25.7 | 26.3 | (2.3) |
| Net operating assets | 21,468 | 19,711 | 8.9 |
| EBITDA interest cover (excluding exceptional items) (b) | 11.1 x | 9.1 x | 22.0 |
| Gearing (net debt/[net debt + net assets]) | 38.4% | 34.2% | 12.3 |
| Debt to equity ratio (net debt/attributionable net assets) | 64.6% | 55.2% | 17.0 |

a. Including share of joint ventures and associates.

b. For this purpose, interest includes capitalised interest and excludes the effect of discounting on provisions.

The attributable profit of US\$1,529 million was influenced by a number of exceptional items, which in aggregate reduced profit before taxation by US\$1,094 million and attributable profit by US\$660 million.

The major items before taxation and equity minority interests included:

- a charge to profit of US\$520 million associated with the write-off of BHP Billiton's equity investment in HBI Venezuela and the establishment of provisions for related financial obligations to banks and other associated costs;
- a charge to profit of US\$430 million from the write-off of the Ok Tedi copper mine;
- a US\$114 million reduction in the carrying value of the Columbus Stainless Steel Joint Venture following conditional agreement to sell down the Group's interest;
- a charge to profit of US\$92 million related to merger transaction costs; and
- a charge to profit of US\$64 million related to organisational restructuring costs and provisions mainly related to the merger.

These items are partially offset by the following:

- a US\$128 million profit from sale of interests in the Central Queensland Coal Associates (CQCA) and Gregory Joint Ventures to Mitsubishi; and
- a US\$61 million profit from the sale of expansion rights at Mozal.

Excluding exceptional items, attributable profit increased by US\$446 million or 25.6% from US\$1,743 million to US\$2,189 million.

Net interest and similar items payable decreased from US\$489 million to US\$476 million.

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The following table provides a summary of the Customer Sector Group financial results for the year ended 30 June 2001. A detailed explanation of the factors influencing the performance of the Customer Sector Groups is included below on pages 12 to pages 19.

| Year ended 30 June 2001 (US\$ million) | Turnover | EBIT (excluding exceptional items) | Net operating assets |
|---|----------|--|-------------------------|
| Aluminium | 2,971 | 523 | 4,730 |
| Base Metals | 2,231 | 485 | 3,834 |
| Carbon Steel Materials | 3,369 | 894 | 2,289 |
| Stainless Steel Materials | 838 | 79 | 1,598 |
| Energy Coal | 1,982 | 382 | 1,986 |
| Petroleum | 3,361 | 1,407 | 2,504 |
| Steel | 3,760 | 270 | 1,965 |
| Exploration, Technology & New Business | 251 | 6 | 869 |
| Other activities | 1,251 | 120 | 817 |
| Group & Unallocated Items | (351) | (539) | 876 |
| Inter-segment | (584) | - | - |
| BHP Billiton Group | 19,079 | 3,627 | 21,468 |

Taxation

The tax charge for the year was US\$811 million and includes US\$33 million following the decision of the High Court (Australia) on 10 August 2001 regarding non-deductibility of financing costs. This represents an effective taxation rate of 39.3%, compared to 14.1% for the previous year.

The effective rate was higher than the nominal underlying tax rates due to exceptional and one-off items in the year. Excluding exceptional items, the effective tax rate for the year was 29.9%.

Investing Cash Flows

Investing activities, including exploration, for the year totalled US\$6.1 billion (excluding debt acquired) compared with US\$2.0 billion in the previous year.

This expenditure was funded largely out of the Group's substantial cash generation (operating cashflow less interest and tax of US\$3.8 billion) and also through new equity (US\$0.9 billion) and borrowings.

Acquisitions

Principal acquisition activity included:

- the purchase of an additional 56% interest in Worsley alumina refinery for US\$1,490 million;
- the purchase of Rio Algom for US\$1,187 million;
- the purchase of 98.6% of Class A shares and 88.7% of Class B shares of Dia Met for US\$398 million; and
- BHP Billiton and Mitsubishi acquired QCT Resources (BHP Billiton's share US\$221 million).

Divestitures

Divestitures generated proceeds of US\$962 million, including:

- the spin-out of the OneSteel long products business to BHP Billiton Ltd shareholders;
- the equalisation of ownership interests of BHP Billiton and Mitsubishi in the CQCA and Gregory Joint Ventures;
- the cessation of investment in HBI Venezuela;
- the conditional sale of a 15% equity interest in the Ohanet wet gas field development in Algeria to Woodside. The transaction is subject to Algerian government and SONATRACH approval; and
- the sale of BHP Billiton's interest in the Buffalo oil field (Western Australia).

BHP Billiton also announced its intention to spin-out its remaining Steel business to BHP Billiton Ltd shareholders. This transaction is expected to be completed by the end of financial year 2002.

Negotiations continue with relevant parties with a view to concluding the exit from the Ok Tedi copper mine.

Growth Projects

During the year, BHP Billiton committed approximately US\$2.1 billion to new growth projects, including the following:

| Project | | Share of Capex US\$m | Share of Production | Completion |
|-----------|----------------------|-------------------------|---|------------|
| Aluminium | Mozal II Expansion | 405 | 120,000 tonnes per annum of additional production | FY04 |
| | Mozambique | | | |
| | BHP Billiton : 47.1% | | | |
| Energy | San Juan Underground | 148 | | FY02 |

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| | | | | |
|------------------------|------------------------------------|-----|--|------|
| Coal | USA | | 6.5 million short tons per annum of replacement production | |
| | BHP Billiton : 100% | | | |
| Base Metals | Copper | 600 | 230,000 tonnes per annum average over 5 years of incremental copper production | FY03 |
| | Escondida Phase IV | | | |
| | Chile | | | |
| | BHP Billiton : 57.5% | | | |
| | Tintaya Oxide | 138 | 34,000 tonnes per annum of copper in cathode | FY02 |
| | Peru | | | |
| | BHP Billiton : 100% | | | |
| Carbon Steel Materials | Metallurgical Coal | 32 | 2.5 million tonnes per annum of incremental production | FY02 |
| | Blackwater Expansion | | | |
| | Australia | | | |
| | BHP Billiton : 50% | | | |
| Petroleum | Ohanet Wet Gas Field Development | 430 | 58,000 barrels per day gross; net reserve entitlement of 40-57 mmboe grossed up for Algerian taxes | FY04 |
| | Algeria | | | |
| | BHP Billiton : 45% | | | |
| | North West Shelf Train 4 Expansion | 260 | 700,000 tonnes per annum of LNG | FY04 |
| | Australia | | | |
| | BHP Billiton : 16.67% | | | |
| | Laminaria II Oil Field Development | 23 | 21,000 barrels of oil per day incremental oil production at peak | FY02 |
| | Australia | | | |
| | BHP Billiton : 32.6% | | | |
| | | 18 | | FY02 |

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Echo Yodel Condensate Development 5,000 barrels per day of condensate

Australia

BHP Billiton : 16.67%

Progress continued on the development of a number of projects approved in prior financial years, or as part of recent acquisition activity. These include:

- Typhoon oil field development (Gulf of Mexico) - first production July 2001 20,000 barrels of oil per day and 30 million standard cubic feet of gas per day net. Capital expenditure of US\$128 million net to BHP Billiton;
- Cerro Matoso nickel mining and smelting operation (Colombia) - Line 2 produced its first ferronickel in January 2001, ahead of schedule and 15% below budget. Output is expected to double to around 55,000 tonnes per annum (BHP Billiton 100%);
- the Antamina copper and zinc project (Peru) - reached mechanical completion in May 2001, under budget and more than two months ahead of schedule. It is anticipated that the project will reach its full design capacity of 70,000 tonnes per day of ore well in advance of December 2001 and significantly ahead of the original schedule of February 2002 (BHP Billiton 33.7%);
- 401/402 oilfield development (Algeria) - first production in financial year 2003, with peak production of 80,000 barrels of oil per day (BHP Billiton's interest under the Production Sharing Contract is 45%). BHP Billiton's reserve entitlement is approximately 60 million barrels grossed up for Algerian taxes. Capital expenditure for BHP Billiton of US\$190 million; and
- Zamzama gas field (Pakistan) - commenced production under an extended well test in March 2001 at a peak rate of 39 mmscfd of gas net to BHP Billiton.

Current Growth Projects

Feasibility and planning work is continuing on a number of new projects, one already approved and some others which are expected to be presented for capital approval during financial year 2002.

These projects include the following:

- Mount Arthur North energy coal mine development (New South Wales) (approved in July 2001) - 12.1 million tonnes of saleable coal by 2006, initial production from 2003. Capital expenditure of US\$411 million (BHP Billiton 100%);
- Carbones del Cerrejon Expansion (Colombia) - a feasibility study is underway to increase capacity of the steaming coal mine from 3 million tonnes per annum to 9 - 10 million tonnes per annum (BHP Billiton 33%);
- Escondida Norte development (Chile) - pre-feasibility study for potential 110,000 tonnes per annum gross of additional production. (BHP Billiton 57.5%);
- Cerro Colorado copper (Chile) - debottlenecking of production from the current capacity of 110,000 tonnes per annum to 125,000 tonnes per annum has been approved (BHP Billiton 100%);
- Mining Area C iron ore development (Western Australia) - 15 million tonnes per annum mining operation, expected to commission in financial year 2004 (BHP Billiton 85%);

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- Mad Dog oil field development (Gulf of Mexico) - appraisal work and pre-development work has commenced, with a submission for Board approval expected in calendar year 2001 (BHP Billiton 23.9%);
- Atlantis oil field development (Gulf of Mexico) - appraisal work and pre-development work has commenced, with a submission for Board approval expected in financial year 2002 (BHP Billiton 44%);
- Hillside 3 Aluminium smelter expansion (South Africa) - feasibility study to construct a third potline, adding a further 130,000 tonnes per annum to Hillside's capacity (BHP Billiton 100%);
- Yabulu/Ravensthorpe (Australia) - feasibility study on the expansion of the back end of the Yabulu nickel refinery to treat intermediate product from the Ravensthorpe nickel laterite mine and acid leach plant producing additional throughput of 30,000 - 35,000 tonnes per annum of nickel (BHP Billiton 100%);
- Spence copper mine (Chile) - pre-feasibility work has been completed and a full feasibility study is now in progress (BHP Billiton 100%);
- Minerva Gas field development (Victoria) - final feasibility work is being undertaken, with a submission for Board approval expected in financial year 2002 (BHP Billiton 90%); and
- Zamzama full field development (Pakistan) - expansion of production from the current contracted level of 70 mmscfd gross, dependent on securing of gas contracts. Full field production up to 320 mmscfd gross is expected (BHP Billiton 38.5%).

Balance Sheet

Total assets less current liabilities for the Group were US\$22,793 million at 30 June 2001, an increase of US\$1,035 million from the figure for 30 June 2000.

Equity shareholders' funds for the Group were US\$11,340 million at 30 June 2001 largely unchanged from the previous year due to the impacts of exchange rates, write-downs and provisions. Net debt for the Group increased by 20.2% to US\$7,321 million due to financing of investing activities.

As a consequence of the above, the gearing ratio increased to 38.4% compared with 34.2% for the previous year. The debt to equity ratio increased from 55.2% to 64.6%.

Risk Management and Hedging

During the year, BHP Billiton Ltd undertook a detailed quantitative analysis of its portfolio of assets, as part of a portfolio risk management review. The outcome was the adoption of a self-insurance model utilising natural hedges as the principal means of managing market risk. This decision was based on the significant degree of diversification of cash flow at risk within the portfolio.

The BHP Billiton Ltd quantitative risk management model has been utilised to evaluate the cash flow at risk for the combined BHP Billiton Group portfolio and a proposal covering commodity and currency hedging for BHP Billiton is to be considered by the Board in August 2001.

Capital Management

At the time of announcing BHP Billiton Ltd's third quarter financial results, an on-market share buyback of up to 90 million shares (approximately 5% of BHP Billiton Ltd's issued capital) was announced. Following implementation of the DLC, the buyback programme has been adjusted so that the number of shares to be re-purchased continues to represent approximately five per cent of issued capital. Commencement of re-purchase of shares had not occurred as at the end of the financial year.

Dividends

Total dividends for the year amounted to US\$754 million, of which US\$476 million related to BHP Billiton Ltd and US\$278 million related to BHP Billiton Plc.

BHP Billiton Ltd paid shareholders a fully franked dividend of A\$0.26 per fully paid share on 2 July 2001. This franked dividend together with the unfranked dividend of A\$0.25 per share in December 2000, takes the total dividend for 2001 to A\$0.51 per share on a pre bonus share issue basis.

The Board of BHP Billiton Plc declared a second interim dividend (in lieu of a final dividend) of US\$0.08 per share, making a total dividend for the year of US\$0.12 per share.

Merger Integration

Good progress has been made in integrating the two companies, including the establishment of:

- an organisational structure which enabled the merged entity to undertake its business activities on a combined basis from day one. The establishment of this organisational structure included personnel appointments to the vast majority of senior management positions;
- Customer Sector Groups - assets combined into natural customer groupings, supported by a centralised marketing structure;
- Corporate governance arrangements, including designated capital expenditure limits at the Customer Sector Group level, and the establishment of an Investment Review Committee responsible for reviewing the risks for capital expenditure greater than US\$100 million, independent risk assessments and project execution management oversight. Corporate governance arrangements are designed to meet best practice in the UK and Australia; and
- Health Safety and Environment, as well as Risk Assessment and Assurance governance arrangements.

In addition, the combined portfolio of assets has been reviewed according to defined criteria. The inventory of growth projects within the portfolio has also been reviewed with initial plans for project sequencing and an assessment of the impact on the commodity mix of the portfolio has been undertaken.

The detailed planning process and detailed decisions on organisational structure have resulted in restructuring costs of US\$42 million pre-tax (including US\$6 million relating to financing facilities) being recognised at year end.

Business Outlook

The slow-down in the global economy has intensified in the last six months, reducing industrial production and, consequently, commodity demand across the OECD. Notwithstanding generally low consumer inventory levels, the prices of a number of traded metals have fallen sharply.

Base metals, stainless steel materials and alumina have borne the brunt of the slow down. Copper prices are at their lowest level in several years. Stainless steel raw materials have been affected by the downturn in stainless steel

consumption and the resultant smelting cutbacks undertaken by producers to mitigate stock build-up. Power-related disruptions to aluminium supply from the Pacific North West USA, and elsewhere, while offsetting particularly the weakening consumption in North America, have in turn reduced demand for alumina, with a resultant fall in the spot price.

Fortunately, a number of our important businesses have so far been sheltered from the global slowdown. Oil prices have remained in the range of US\$26 to US\$27 per barrel as OPEC has adjusted supply to meet demand. The underlying demand for seaborne energy coal also remains firm, especially in the US market, though prices have levelled out after the strong rise during the first half of 2001. Metallurgical coal prices have also been sustained by a tight supply situation and strong demand. Iron ore prices are approaching cyclical highs, reflecting robust growth in seaborne iron ore trade for imports to China and elsewhere in Asia.

A world-wide recovery is unlikely until the economy in the US begins to improve, the European market reverses its recent slow-down and there is a resolution of the persistent recessionary environment in Japan. While a global slowdown will impact our financial results, our robust low-cost operations and the diversified nature of our businesses will buffer changes in individual products and markets, and provide resilience to our earnings and cash flows.

Analysis of EBIT including exceptional items by Customer Sector Group

Aluminium

| (US\$m) | 2001 | 2000 | Change% | ('000 tonnes) | 2001 | 2000 | Change% |
|----------------------|-------|-------|---------|-----------------------------------|-------|-------|---------|
| Turnover | 2,971 | 2,357 | +26 | Alumina production | 2,938 | 1,878 | +56 |
| EBIT | 576 | 438 | +32 | Aluminium production | 984 | 883 | +11 |
| Net operating assets | 4,730 | 3,216 | +47 | LME Aluminium (cash, US\$/t, ave) | 1,539 | 1,516 | +2 |

Aluminium's EBIT was US\$576 million, an increase of US\$138 million or 32% compared with the corresponding period.

Major factors which affected the comparison of results were:

- higher volumes from the addition of Worsley (US\$35 million) and Mozal 1 (US\$25 million);
- sale of expansion rights at Mozal (US\$61 million);
- US\$14 million from the Gove break fee; and
- favourable effect of lower Rand and Real exchange rates on costs.

These were partially offset by:

- increased pot relining costs at Hillside (US\$26 million); and
- an increase in London Metal Exchange (LME) aluminium price linked costs.

Aluminium smelters produced 984,000 tonnes of metal, compared with 883,000 tonnes produced over the corresponding period, with the newly commissioned Mozal I contributing 93,000 tonnes. During the same period

alumina output rose by 1,060,000 tonnes to 2,938,000 tonnes. Of the total production amount, 1,632,000 tonnes was attributable to Worsley, with the additional 56 per cent stake purchased in January 2001 contributing 720,000 tonnes.

Average aluminium unit cash costs rose three per cent over last year's costs, as a result of an increase in LME-linked production costs, the start-up costs of Mozal and significantly higher pot relining costs at Hillside. Alumina unit cash costs decreased nine per cent over the same period last year mainly due to lower unit cash costs at Worsley.

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Base Metals

| (US\$m) | 2001 | 2000 | Change% | ('000 tonnes) | 2001 | 2000 | Change% |
|----------------------|-------|-------|---------|--------------------------------|-------|------|---------|
| Turnover | 2,231 | 2,374 | -6 | Copper production | 1,021 | 848 | +20 |
| EBIT | 47 | 478 | -90 | Lead production | 217 | 207 | +5 |
| Net operating assets | 3,834 | 2,244 | +71 | LME Copper (cash, USc/lb, ave) | 81 | 79 | +3 |

Base Metals' EBIT was US\$47 million, a decrease of US\$431 million or 90% compared with the corresponding period.

Major factors which affected the comparison of results were:

- the write-off of the Ok Tedi copper mine (US\$430 million before equity minority interests); and
- lower average gold, silver and zinc prices.

These were partially offset by higher copper production (up 173,400 tonnes) mainly due to the acquisition of Rio Algom in October 2000. The inclusion of Rio Algom contributed US\$49 million to EBIT during the year.

Production of total copper contained in concentrate and cathode in 2001 was 20% higher than the previous year, reflecting the Rio Algom acquisition and higher production at Ok Tedi as a result of increased mill throughput, partly offset by lower head grade at Escondida. Production of silver, lead and zinc increased for the period, mainly reflecting higher output from Cannington as a result of the debottlenecking of the mill.

Over the last year the BHP Billiton Group has been negotiating with other shareholders on the terms and conditions related to its exit from Ok Tedi. Based on the status of these negotiations it has been decided to write-off the BHP Billiton Group's share of Ok Tedi's net assets. From 1 July 2001, no profit will be recognised for Ok Tedi except to the extent that dividends are received.

Exploration expenditure for the year was US\$56 million (2000 - US\$11 million). Exploration charged to profit was US\$19 million (2000 - US\$8 million).

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Carbon Steel Materials

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| (US\$m) | 2001 | 2000 | Change% | (million tonnes) | 2001 | 2000 | Change% |
|----------------------|-------|-------|---------|-------------------------------|------|------|---------|
| Turnover | 3,369 | 2,842 | +19 | Iron ore production | 65.9 | 59.8 | +10 |
| EBIT | 836 | (157) | Nm | Metallurgical coal production | 37.1 | 30.6 | +21 |
| Net operating assets | 2,289 | 2,950 | -22 | Manganese alloys production | 0.6 | 0.7 | -5 |

Carbon Steel Materials' EBIT was US\$836 million, an increase of US\$993 million compared with the corresponding period.

Major factors which affected the comparison of results were:

- a profit US\$128 million from the sale of interests in the CQCA and Gregory joint ventures to Mitsubishi;
- higher iron ore and metallurgical coal prices and volumes; and
- the write-off of HBI Western Australia (US\$695 million) in the corresponding period.

These were partly offset by:

- increased operating losses from HBI Venezuela and the write-off of the Group's investment together with provisions and other associated costs due to the decision to cease further investment; and
- higher costs in Queensland coal operations due to the impact of industrial action and dragline maintenance shutdowns, and Western Australia iron ore operations due to higher royalty and diesel costs.

Western Australia iron ore operations sold a record 71.3 million wet tonnes (100 per cent terms) for the year, an increase of 8.1 million wet tonnes over the previous year. Record Yandi shipments of 30.7 million wet tonnes for the year contributed significantly to this result. BHP Billiton's share of Samarco (Brazil) iron ore production was 7.5 million tonnes, 11% higher than the previous year.

BHP Billiton's share of Queensland coal production was 30.6 million tonnes, 26% higher than the previous year, mainly reflecting the acquisition of QCT Resources Ltd. Coal production from Illawarra was 6.6 million tonnes, 5% higher than the previous year.

Total manganese alloy production of 642,000 tonnes was 5% lower than the previous year, while manganese ore production of 3.8 million tonnes was 5% higher than the previous year.

Hot briquetted iron production was 80% higher than the previous year mainly reflecting continued production ramp-up at the Western Australia plant.

The decision to cease further investment in HBI Venezuela was announced in the third quarter of the 2001 financial year following a detailed review of the future economic value of this asset. The review identified that, in the context of changed operating and market conditions, the BHP Billiton Group would not expect the plant to meet the BHP Billiton Group's operational and financial performance targets necessary to justify any further investment in the project, nor would it satisfy bank completion requirements for project financing. These factors coupled with possible partner funding issues influenced the decision.

Stainless Steel Materials

| (US\$m) | 2001 | 2000 | Change% | ('000 tonnes) | 2001 | 2000 | Change% |
|----------------------|-------|-------|---------|---------------------------------|------|-------|---------|
| Turnover | 838 | 977 | -14 | Nickel production | 60.8 | 54.1 | +12 |
| EBIT | 74 | 205 | -64 | Chrome alloys production | 908 | 1,055 | -14 |
| Net operating assets | 1,598 | 1,487 | +7 | LME Nickel (cash, US\$/lb, ave) | 3.28 | 3.75 | -12 |

Stainless Steel Materials' EBIT was US\$74 million, a decrease of US\$131 million or 64% compared with the corresponding period.

Major factors which affected the comparison of results were:

- lower prices for nickel (down 12%) and cobalt by-product (down 22%); and
- lower ferrochrome prices reflecting falling world demand for stainless steel and increased use of stainless steel scrap.

These were partially offset by:

- higher nickel production; and
- lower unit costs at Cerro Matoso (Colombia) and Yabulu (Australia).

Both nickel operations achieved record production volumes. The Cerro Matoso Line 2 expansion produced its first ferronickel in January 2001, three months ahead of schedule. The Yabulu refinery rehabilitation programme resulted in output at a record level of 28,960 tonnes, 15% above the previous year, and improved metal recoveries. Unit cost efficiencies were realised at both operations.

Given the weakness in the ferrochrome market, Samancor Chrome accelerated its programme of furnace upgrades and cut back production over the year. At year end, eight chrome furnaces (representing some 30% of total capacity) were shut down. The furnace closures enabled the business units involved to implement a significant restructuring in order to achieve permanent fixed cost improvements.

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Energy Coal

| (US\$m) | 2001 | 2000 | Change% | (million tonnes) | 2001 | 2000 | Change% |
|----------|-------|-------|---------|------------------------|------|------|---------|
| Turnover | 1,982 | 1,597 | +24 | Energy coal production | 92.9 | 93.9 | -1 |

| | | | |
|----------------------|-------|-------|------|
| EBIT | 348 | 137 | +154 |
| Net operating assets | 1,986 | 1,665 | +19 |

Energy Coal's EBIT was US\$348 million, an increase of US\$211 million or 154% compared with corresponding period.

Major factors which affected the comparison of results were:

- higher export energy coal prices;
- cost savings and efficiencies; and
- favourable effect of lower Rand/US\$ exchange rates on costs.

At the end of the financial year, Free On Board (FOB) prices for energy coal were between US\$33-34 per tonne. This is a significant increase on the previous year.

Total energy coal production was 92.9 million tonnes, 1% lower than the previous year.

South African production of 61.3 million tonnes was 8% lower than the previous year due in part to the sale of the Matla and Glisa collieries to Eyesizwe Mining and to the cutback in production at Koorfontein during the year. Koorfontein and Douglas performed exceptionally well following restructuring and with the achievement of the envisaged productivity improvements there were notable reductions in unit operating costs.

United States production of 14.9 million tonnes was 3% higher than the previous year and included record production from San Juan Coal Company of 7.3 million tonnes. Production in Australia and Indonesia were also higher than the previous year.

During the year the BHP Billiton Group acquired interests in two Colombian coal assets: Carbones del Cerrejon (CdelC - BHP Billiton 33.3%) in September 2000 and Cerrejon Zona Norte SA (CZN - BHP Billiton 16.7%) in November 2000. The BHP Billiton Group's share of production and EBIT from CdelC and CZN for the year was 2.8 million tonnes and US\$16 million respectively.

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Petroleum

| (US\$m) | 2001 | 2000 | Change% | Production: | 2001 | 2000 | Change% |
|----------|-------|-------|---------|----------------------------------|-------|-------|---------|
| Turnover | 3,361 | 2,971 | +13 | Crude oil and condensate (mmbbl) | 79.1 | 79.8 | -1 |
| EBIT | 1,407 | 1,142 | +23 | Natural gas (bcf) | 261.8 | 238.6 | +10 |

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| | | | | | | | |
|----------------------|-------|-------|-----|-----------------------------------|-------|-------|-----|
| Net operating assets | 2,504 | 2,796 | -10 | Ave realised oil price (US\$/bbl) | 28.04 | 22.86 | +23 |
|----------------------|-------|-------|-----|-----------------------------------|-------|-------|-----|

Petroleum's EBIT was US\$1,407 million, an increase of US\$265 million or 23% compared with the corresponding period.

Major factors which affected the comparison of results were:

- higher average realised oil price net of commodity hedging of US\$28.04 per barrel compared to US\$22.86 per barrel in the corresponding period. The average realised oil price before commodity hedging was US\$29.39 per barrel (2000 - US\$25.21 per barrel);
- higher natural gas, liquefied natural gas (LNG) and liquefied petroleum gas (LPG) prices; and
- higher profits from the Laminaria/Corallina oil fields which commenced operations in November 1999.

These were partly offset by:

- lower Bass Strait (Victoria) oil sales volumes;
- lower profits from the sale of assets; and
- higher exploration charged to profit reflecting exploration activity in the Gulf of Mexico, Latin America and Algeria.

Oil and condensate production was 1% lower than the corresponding period due to natural field decline at Bass Strait, the sale of the Buffalo oil field and lower Bruce (UK) production due to shut-ins for repairs. These were partly offset by higher volumes at the Laminaria/Corallina oil fields due to this being their first full year of production, Liverpool Bay (UK) due to strong performance following a major maintenance shutdown, and Griffin (North West Australia) due to the impact of infill wells and favourable weather conditions for operations.

Natural gas production was 15% higher than the corresponding period which was largely attributable to higher volumes from Bass Strait, higher volumes from Bruce and Griffin, and the commencement of production at the Zamzama field late in March 2001.

LNG production at the North West Shelf (NWS) in Western Australia was 5% lower than the corresponding period mainly due to longer than planned maintenance shut-downs in October 2000.

Exploration expenditure for the year was US\$206 million (2000 - US\$153 million). Exploration charged to profit was US\$144 million (2000 - US\$118 million).

Steel

| (US\$m) | 2001 | 2000 | Change% | ('000 tonnes) | 2001 | 2000 | Change% |
|----------|-------|-------|---------|---------------|-------|-------|---------|
| Turnover | 3,760 | 5,393 | -30 | Raw steel | 5,432 | 5,461 | -1 |
| EBIT | 248 | 249 | - | | 5,316 | 4,883 | +9 |

| | | | | |
|----------------------|-------|-------|-----|----------------------------|
| | | | | Marketable steel products |
| Net operating assets | 1,965 | 3,749 | -48 | (core steel business only) |

Steel's EBIT was US\$248 million, in line with the corresponding period.

Major factors which affected the comparison of results were:

- a variety of items in the corresponding period totalling a loss of approximately US\$50 million, comprising a loss on sale of US West Coast businesses, overall profits from discontinued businesses and tax benefits from changes in Australian company tax rates;
- improved operating performance from the Asian businesses; and
- additional tax benefits in respect of losses from New Zealand operations, for which no deduction has previously been recognised.

These were partly offset by:

- lower international prices;
- lower sales volumes of coated products to the Australian market reflecting reduced building activity; and
- the impact of industrial action at Port Kembla steelworks (New South Wales).

Steel despatches from flat and coated operations were 5.34 million tonnes for the year, 10% above the corresponding period. Australian domestic despatches were 2.09 million tonnes, 9% above the corresponding period. The inclusion of despatches to OneSteel Limited (previously treated as despatches within the BHP Billiton Ltd Group) were partly offset by lower sales volumes of coated products.

Australian export despatches were 2.36 million tonnes, up 15%. New Zealand steel despatches were 0.54 million tonnes, down 3%. Despatches from overseas plants were 0.36 million tonnes, up 9%.

Steel despatches from discontinued operations for the year were 0.70 million tonnes, 77% below the corresponding period primarily due to the spin-out of OneSteel Limited in October 2000 and sale of the US West Coast businesses in the fourth quarter of the corresponding period.

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Exploration, Technology and New Business

| (US\$m) | 2001 | 2000 | Change% | ('000 carats) | 2001 | 2000 | Change% |
|----------|------|------|---------|----------------------------|-------|-------|---------|
| Turnover | 251 | 224 | +12 | Ekati™ diamonds production | 1,428 | 1,301 | +10 |
| EBIT | (7) | 12 | Nm | | | | |

| | | | |
|----------------------|-----|-----|------|
| Net operating assets | 869 | 416 | +109 |
|----------------------|-----|-----|------|

The result for Exploration, Technology and New Business was an EBIT loss of US\$7 million compared with an EBIT of US\$12 million in the corresponding period.

Ekati™ diamond production was 10 per cent higher than the previous year due mainly to higher recoveries of lower quality diamonds.

Total exploration charged to profit was US\$75 million, an increase of US\$5 million compared with the corresponding period.

Other Activities

The result for Other Activities was an EBIT of US\$6 million for the year compared with an EBIT of US\$163 million in the corresponding period.

The result for the year included an exceptional item of US\$114 million (before taxation and equity minority interests) representing the write-down of the carrying value of the Columbus Joint Venture.

At Richards Bay Minerals overall titanium slag sales volumes declined slightly on the previous year reflecting a reduction in pigment production as a consequence of slowing economic activity in the United States and Europe. This, together with marginally higher sales prices, resulted in a 2.5% decline in turnover compared to the previous year. This was more than offset by the benefits of a relatively strong zircon market as well as reduced costs principally arising from depreciation of the Rand.

Group and Unallocated Items

The result for Group and Unallocated Items was an EBIT loss of US\$996 million for the year compared with an EBIT loss of US\$400 million in the corresponding period.

The result for the year included an EBIT loss of US\$340 million representing provisions for financial obligations to banks and other provisions related to the decision to cease further investment in HBI Venezuela.

The current year also included EBIT losses of approximately US\$360 million from external foreign currency hedging compared with EBIT losses of approximately US\$175 million in the corresponding period. This mainly reflects the lower value of the Australian dollar relative to the US dollar for currency hedging contracts settled during the year.

The result also included merger transaction and restructuring costs of US\$114 million.

BHP BILLITON

PRELIMINARY RESULTS FOR THE YEAR ENDED 30 JUNE 2001

PART C

BHP BILLITON GROUP RESULTS

Part C2: Financial Information

Status of financial information

On 29 June 2001, BHP Billiton Plc (previously known as Billiton Plc) and BHP Billiton Limited (previously known as BHP Limited) entered into a dual listed companies ("DLC") merger. This was effected by contractual arrangements between the companies and amendments to their constitutional documents.

The effect of the DLC merger is that BHP Billiton Plc and its subsidiaries and BHP Billiton Limited and its subsidiaries operate together as a single economic entity ("the BHP Billiton Group"), with neither assuming a dominant role. Under the arrangements:

- The shareholders of BHP Billiton Plc and BHP Billiton Limited have a common economic interest in both groups
- The shareholders of BHP Billiton Plc and BHP Billiton Limited take key decisions, including the election of directors, through a joint electoral procedure under which the shareholders of the two companies effectively vote on a joint basis
- BHP Billiton Plc and BHP Billiton Limited have a common board of directors, a unified management structure and joint objectives
- Dividends and capital distributions made by the two companies will be equalised.

The DLC merger did not involve the change of legal ownership of any assets of BHP Billiton Plc or BHP Billiton Limited, any change of ownership of any existing shares or securities of BHP Billiton Plc or BHP Billiton Limited, the issue of any shares or securities or any payment by way of consideration, save for the issue by each company of one special voting share to a trustee company which is the means by which the joint electoral procedure is operated. In addition, to achieve a position where the economic and voting interests of one share in BHP Billiton Plc and one share in BHP Billiton Limited were identical, BHP Billiton Limited made a bonus issue of ordinary shares to the holders of its ordinary shares.

Under UK GAAP, the DLC merger is treated as a business combination because a single economic entity has been formed, even though BHP Billiton Plc and BHP Billiton Limited remain separate legal entities. The consolidated financial statements of BHP Billiton Plc therefore include BHP Billiton Limited and its subsidiary companies in accordance with the requirements of s227(5) of the Companies Act 1985. The DLC merger is accounted for using the merger method of accounting in accordance with UK accounting standards.

The financial information in this Part of the preliminary announcement has been prepared on this basis. The financial information prepared on the basis that the DLC merger had not been consummated prior to 30 June 2001 (except that merger related costs have been recognised) and which therefore does not include BHP Billiton Limited and its subsidiaries is set out in Part E of this preliminary announcement "BHP Billiton Plc Group Pro forma Results: year ended 30 June 2001".

The figures for the two years ended 30 June 2001 and 30 June 2000 are unaudited and do not constitute the BHP Billiton Plc's statutory accounts. The statutory accounts for the year ended 30 June 2001 will be provided on the basis of the financial information presented by the directors in this Part of this preliminary announcement and will be delivered to the Registrar of Companies following the Annual General Meeting. The statutory accounts for the year ended 30 June 2000 received an unqualified audit report without statements under section 237 of the Companies Act 1985 and have been filed with the Registrar of Companies.

Basis of presentation of financial information

The financial information is presented in accordance with UK generally accepted accounting principles. The reporting currency is US dollars, the dominant currency in which BHP Billiton Plc and the companies in which it has holdings operate.

The financial information in this Part of the preliminary announcement has been prepared on the same basis and using the same accounting policies as were used in preparing the financial statements for the year ended 30 June 2000, except that the BHP Billiton Group has adopted two changes to its accounting policies for deferred tax and exploration costs principally to align policies between BHP Billiton Plc and BHP Billiton Limited.

Deferred tax

The Group has adopted FRS 19 ("Deferred tax"). Prior to the adoption of FRS 19, the BHP Billiton Group provided for deferred taxation under the liability method, only to the extent that it was probable that a liability or asset would crystallise in the foreseeable future. As a result of FRS19, the new policy requires that full provision is made for deferred taxation on all timing differences which have arisen but have not reversed at balance sheet date, except as follows:

- Tax payable on the future remittance of the past earnings of subsidiaries, associates and joint ventures is provided only to the extent that dividends have been accrued as receivable or a binding agreement to distribute all past earnings exists;
- Deferred tax is not recognised on the difference between book values and fair values of non-monetary assets arising on acquisitions unless there is a binding agreement to sell such an asset and the gain or loss expected to arise has been recognised; and
- Deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

The adoption of the new policy, which has been made by way of an adjustment to previously published results as though the revised policy had always been applied by the BHP Billiton Group, has had the following effects:

- The previously published figures at 1 July 1999 and 30 June 2000 have been restated as follows:

- a. deferred tax has been increased by US\$288 million and US\$294 million respectively;
- b. goodwill has been increased by US\$111 million and US\$104 million respectively due to increased deferred tax liabilities at the date of acquisition of businesses; and
- c. investments in joint ventures have been reduced by US\$49 million and US\$49 million respectively

resulting in decreases in shareholders' funds of US\$189 million and US\$200 million after taking account of minority interests of US\$37 million and US\$39 million respectively;

- Operating profit and the tax charge on profits from ordinary activities for the year ended 30 June 2000 have been decreased by US\$7 million and increased by US\$6 million respectively from the figures previously published, resulting in profit after tax and attributable profit being decreased by US\$13 million and US\$11 million respectively; and
- The impact on the current year operating profit and charge for taxation is a decrease of US\$7 million and of US\$58 million respectively, resulting in attributable profit being increased by US\$37 million, of which

US\$18 million is attributable to exceptional items.

Exploration costs

Prior to the DLC merger, BHP Billiton Plc's and BHP Billiton Limited's policies for the treatment of exploration expenditure had a broadly similar effect in that expenditure incurred prior to a project being considered to be commercially viable was effectively recognised as a charge in the profit and loss account. Expenditure incurred subsequent to the determination of commercial viability was capitalised. However, BHP Billiton Plc's policy required the write back of provisions established prior to a project being considered to be commercially viable to the extent that the relevant costs were recoverable whereas BHP Billiton Limited was precluded under Australian GAAP from writing back expenditure previously charged to the profit and loss account.

In order to conform policies, it has been agreed that BHP Billiton Plc's policy be changed to preclude the write back of costs previously recognised in the profit and loss account when a project is considered to have become commercially viable.

The adoption of the new policy, which has been made by way of an adjustment to previously published results as though the revised policy had always been applied by the BHP Billiton Group, has had the following effects:

- Exploration expenditure at 1 July 1999 and 30 June 2000 and shareholders' funds as at those dates have been reduced by US\$15 million;
- The current year exploration cost has been reduced by US\$5 million and profit after tax has been increased by the same amount.

consolidated profit
and loss account

for the year ended
30 June 2001

| | 2001 | | | 2000 | | |
|---|---|-------------------------------|--|---|-------------------------------|--|
| | before exceptional items US\$m | exceptional items US\$m | after exceptional items US\$m | before exceptional items US\$m | exceptional items US\$m | after exceptional items US\$m |
| | | Note 1 | | | Note 1 | |
| Turnover (including share of joint ventures and associates) (a) | 19,079 | - | 19,079 | 18,402 | - | 18,402 |
| Less: share of joint ventures and associates | (1,290) | - | (1,290) | (987) | - | (987) |

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| | | | | | | |
|---|----------|---------|----------|----------|-------|----------|
| Group turnover (excluding share of joint ventures and associates) | 17,789 | - | 17,789 | 17,415 | - | 17,415 |
| Net operating costs (b) | (14,551) | (60) | (14,611) | (14,777) | (695) | (15,472) |
| Group operating profit | 3,238 | (60) | 3,178 | 2,638 | (695) | 1,943 |
| Share of operating profit/(loss) of joint ventures and associates (b) | 281 | (634) | (353) | 239 | - | 239 |
| Operating profit (including share of joint ventures and associates) (a) | 3,519 | (694) | 2,825 | 2,877 | (695) | 2,182 |
| Income from other fixed asset investments | 32 | - | 32 | 20 | - | 20 |
| Profit on sale of fixed assets | 72 | 128 | 200 | 124 | - | 124 |
| Profit/(loss) on sale of subsidiaries | 4 | - | 4 | 6 | (4) | 2 |
| Loss on termination of operations (c) | - | (430) | (430) | - | - | - |
| Costs of fundamental reorganisations | - | - | - | - | (61) | (61) |
| Merger transaction costs | - | (92) | (92) | - | - | - |
| Net interest and similar items payable - Group | (407) | (6) | (413) | (446) | - | (446) |
| Net interest and similar items payable - Joint ventures and associates | (63) | - | (63) | (43) | - | (43) |
| Profit before taxation | 3,157 | (1,094) | 2,063 | 2,538 | (760) | 1,778 |
| Taxation | (943) | 132 | (811) | (774) | 523 | (251) |

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| | | | | | | |
|---|-------|--------|-------|-------|-------|-------|
| Profit after taxation | 2,214 | (962) | 1,252 | 1,764 | (237) | 1,527 |
| Equity minority interests | (25) | 302 | 277 | (21) | - | (21) |
| Attributable profit | 2,189 | (660) | 1,529 | 1,743 | (237) | 1,506 |
| Dividends to shareholders | (754) | | (754) | (788) | | (788) |
| Retained profit for the financial year | 1,435 | (660) | 775 | 955 | (237) | 718 |
| Earnings per ordinary share (basic) (US cents) (d) | 36.8 | (11.1) | 25.7 | 30.4 | (4.1) | 26.3 |
| Earnings per ordinary share (diluted) (US cents) (d) | 36.6 | (11.0) | 25.6 | 30.4 | (4.1) | 26.3 |
| Dividend per ordinary share | | | | | | |
| BHP Billiton Plc (US cents) | | | 12.0 | | | 11.25 |
| BHP Billiton Limited (Australian cents) - excluding bonus issue | | | 51.0 | | | 51.0 |
| - including bonus issue | | | 24.7 | | | 24.7 |

(a) Included within turnover and operating profit is US\$1,146 million and US\$88 million respectively attributable to acquisitions.

(b) In the year ended 30 June 2001, the exceptional share of operating losses of joint ventures and associates includes

the impairment of HBI Venezuela. In the year ended 30 June 2000, the exceptional operating costs relate to the impairment of HBI Western Australia.

(c) In the year ended 30 June 2001, the exceptional loss on termination of operations relates to Ok Tedi.

(d) Earnings per ordinary share is stated after taking account of the BHP Billiton Limited bonus issue.

Attributable profit represents the profit for the financial period.

All amounts are derived from continuing activities.

There is no material difference between the historical cost profits and losses and the profits and losses as presented in the

consolidated statement of total recognised gains and losses

for the year ended 30 June 2001

| | Group | | Joint ventures and associates | | Total | |
|---|---------------|---------------|----------------------------------|---------------|---------------|---------------|
| | 2001 US\$m | 2000 US\$m | 2001 US\$m | 2000 US\$m | 2001 US\$m | 2000 US\$m |
| Attributable profit for the financial period | 1,964 | 1,367 | (435) | 139 | 1,529 | 1,506 |
| Exchange gains and losses on foreign currency net investments | (712) | (469) | (51) | (33) | (763) | (502) |
| Total recognised gains for the period | 1,252 | 898 | (486) | 106 | 766 | 1,004 |
| Prior year adjustment arising from the implementation of revised accounting policies: | | | | | | |
| - Deferred taxation | (171) | | (29) | | (200) | |
| - Exploration | (15) | | - | | (15) | |
| Total recognised gains since last annual report | 1,066 | | (515) | | 551 | |
| consolidated balance sheet as at 30 June 2001 | | | | | | |
| | | 2001 | | | | 2000 |
| | | | | | | as restated |
| | | US\$m | | | | US\$m |
| Fixed assets | | | | | | |

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| | | |
|--|---------|---------|
| Intangible assets - goodwill | 95 | 127 |
| - negative goodwill | (36) | (53) |
| | 59 | 74 |
| Tangible assets | 19,231 | 18,580 |
| Investments - joint ventures | 1,011 | 531 |
| - share of gross assets | 2,816 | 1,962 |
| - share of gross liabilities | (1,805) | (1,431) |
| - associates | 58 | - |
| - loans to joint ventures and associates and other investments | 911 | 573 |
| | 21,270 | 19,758 |
| Current assets | | |
| Stocks | 1,675 | 1,819 |
| Debtors | 3,583 | 4,216 |
| Investments | 215 | 111 |
| Cash including money market deposits | 1,285 | 1,431 |
| | 6,758 | 7,577 |
| Creditors: amounts falling due within one year | (5,235) | (5,577) |
| Net current assets | 1,523 | 2,000 |
| Total assets less current liabilities | 22,793 | 21,758 |

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| | | |
|---|---------|---------|
| Creditors: amounts falling due after more than one year | (7,054) | (5,703) |
| Provisions for liabilities and charges | (4,019) | (4,342) |
| Net assets | 11,720 | 11,713 |
| Equity minority interests | (380) | (677) |
| Attributable net assets | 11,340 | 11,036 |
| Capital and reserves | | |
| Called up share capital | | |
| - BHP Billiton Plc | 1,160 | 1,069 |
| Share premium account | 592 | 27 |
| Contributed Equity | | |
| - BHP Billiton Limited | 3,039 | 4,260 |
| Profit and loss account | 6,549 | 5,798 |
| Interest in shares of BHP Billiton Plc | - | (118) |
| Equity shareholders' funds | 11,340 | 11,036 |

The interest in shares of BHP Billiton Plc held under the share repurchase scheme as at

30 June 2000 was deducted from capital and reserves in order to show a true and fair view.

consolidated statement
of cash flows

for the year ended 30 June 2001

| | 2001 | 2000 |
|--|---------|---------|
| | US\$m | US\$m |
| Net cash inflow from Group operating activities | 4,805 | 4,444 |
| Dividends received from joint ventures and associates | 154 | 127 |
| Returns on investments and servicing of finance | (535) | (662) |
| Taxation | (587) | (532) |
| Capital expenditure and financial investment | (3,427) | (1,270) |
| Acquisitions and disposals | (1,636) | 349 |
| OneSteel spin out | 344 | - |
| Other acquisitions and disposals | (1,980) | 349 |
| Equity dividends paid | (751) | (361) |
| Net cash flow before management of liquid resources and financing | (1,977) | 2,095 |
| Management of liquid resources | 242 | (252) |
| Financing | 1,763 | (1,517) |
| Issue of shares/Share Repurchase Scheme | 937 | 132 |
| Debt | 826 | (1,649) |
| Increase in cash in the year | 28 | 326 |
| Reconciliation of net cash flow to movement in net debt | | |
| Increase in cash in the year | 28 | 326 |
| | (826) | 1,649 |

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| | | |
|---|---------|---------|
| Cash flow from debt and lease financing | | |
| Cash flow from management of liquid resources | (242) | 252 |
| Change in net debt arising from cash flows | (1,040) | 2,227 |
| Loans acquired with subsidiaries | (665) | - |
| Other non-cash movements | - | 7 |
| Exchange adjustments | 476 | 489 |
| Movement in net debt | (1,229) | 2,723 |
| Net debt at start of year | (6,092) | (8,815) |
| Net debt at end of year | (7,321) | (6,092) |

note 1.
exceptional items

| | | Gross 2001 US\$m | Tax 2001 US\$m | Net 2001 US\$m |
|-----------------------------|---|------------------------|----------------------|----------------------|
| Carbon steel materials | Equalisation of Queensland Coal Interests | 128 | - | 128 |
| | | 128 | - | 128 |
| Base metals | Ok Tedi (a) | (430) | 14 | (416) |
| | | (430) | 14 | (416) |
| Group and unallocated items | | (92) | - | (92) |
| | | (92) | - | (92) |
| Group and unallocated items | Income tax audit | | (33) | (33) |

| | | | | |
|---|-------------------|-------|------|-------|
| | | | (33) | (33) |
| Restructuring costs and provisions: | | | | |
| Steel | | (22) | 7 | (15) |
| Merger related costs: | | | | |
| Base metals | | (7) | 2 | (5) |
| Exploration, technology and new business | | (7) | 1 | (6) |
| Group and unallocated items | | (22) | 6 | (16) |
| Net interest | | (6) | - | (6) |
| | | (64) | 16 | (48) |
| Write down in carrying value of assets and provisions | | | | |
| Carbon steel materials | HBI Venezuela (c) | (180) | - | (180) |
| Energy coal | Lake Mines | (26) | 6 | (20) |
| Other activities | Columbus JV (b) | (114) | 30 | (84) |
| Group and unallocated items | HBI Venezuela (c) | (340) | 110 | (230) |
| | | (660) | 146 | (514) |
| Sale of expansion rights | | | | |
| Aluminium | Mozal II | 61 | (21) | 40 |
| | | 61 | (21) | 40 |
| Executive share awards accelerated by merger | | | | |
| Aluminium | | (8) | 2 | (6) |
| Base metals | | (1) | - | (1) |
| Carbon steel materials | | (6) | 2 | (4) |
| Stainless steel materials | | (5) | 1 | (4) |
| Energy coal | | (8) | 2 | (6) |

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| | | | |
|--|---------|-------|-------|
| Exploration, technology and new business | (6) | 2 | (4) |
| Group and unallocated items | (3) | 1 | (2) |
| | (37) | 10 | (27) |
| Total by category | (1,094) | 132 | (962) |
| | Gross | Tax | Net |
| Exceptional items by customer sector group | 2001 | 2001 | 2001 |
| | US\$m | US\$m | US\$m |
| Aluminium | 53 | (19) | 34 |
| Base metals (a) | (438) | 16 | (422) |
| Carbon steel materials | (58) | 2 | (56) |
| Stainless steel materials | (5) | 1 | (4) |
| Energy coal | (34) | 8 | (26) |
| Steel | (22) | 7 | (15) |
| Exploration, technology and new business | (13) | 3 | (10) |
| Other activities (b) | (114) | 30 | (84) |
| Group and unallocated | (457) | 84 | (373) |
| Net interest | (6) | - | (6) |
| Total by customer sector group | (1,094) | 132 | (962) |

(a) Includes US\$268 million attributable to equity minority interests.

(b) Includes US\$34million attributable to equity minority interests.

(c) The provisions to cover financial obligations to banks in excess of the Group's carrying value

of investment in HBI Venezuela has been included in Group and unallocated items.

note 1. exceptional items
(continued)

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| | | Gross 2000 US\$m | Tax 2000 US\$m | Net 2000 US\$m |
|--|---|------------------------|----------------------|----------------------|
| Steel | | (135) | 2 | (133) |
| Petroleum | | 93 | (1) | 92 |
| Other activities | | 38 | - | 38 |
| | | (4) | 1 | (3) |
| Petroleum | | (12) | 4 | (8) |
| Steel | | (18) | 7 | (11) |
| Group and unallocated items | | (31) | 10 | (21) |
| | | (61) | 21 | (40) |
| Group and unallocated items | Restatement of deferred tax balances | - | 107 | 107 |
| Group and unallocated items | Tax benefit on finalisation of funding arrangements | - | 184 | 184 |
| | | - | 291 | 291 |
| Asset write-offs and provisions: | | | | |
| Carbon Steel Materials | Western Australian HBI | (695) | 210 | (485) |
| | | (695) | 210 | (485) |
| Total by category | | (760) | 523 | (237) |
| | | | | |
| | | Gross 2000 US\$m | Tax 2000 US\$m | Net 2000 US\$m |
| Exceptional items by customer sector group | | | | |
| Carbon steel materials | | (695) | 210 | (485) |
| Petroleum | | 81 | 3 | 84 |

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| | | | |
|--------------------------------|-------|-----|-------|
| Steel | (153) | 9 | (144) |
| Other activities | 38 | - | 38 |
| Group and unallocated | (31) | 301 | 270 |
| Total by customer sector group | (760) | 523 | (237) |

note 2. customer sector group data

BHP Billiton Group

Year ended 30 June 2001

| | US\$ million | | | | | | | |
|--|-------------------------|-----------------------|------------------------------------|---------------------|-------------------------------------|-------------------------|----------------------------------|--------------------------------------|
| | Turnover ^(a) | EBITDA ^(b) | Depn & amortisation ^(c) | EBIT ^(c) | Net operating assets ^(d) | Capex ^{(e)(f)} | Exploration gross ^(g) | Exploration to profit ^(h) |
| Aluminium | 2 971 | 774 | 198 | 576 | 4 730 | 1 635 | 1 | 1 |
| Base metals | 2 231 | 332 | 285 | 47 | 3 834 | 2 127 | 56 | 19 |
| Carbon steel materials | 3 369 | 1 022 | 186 | 836 | 2 289 | 429 | 5 | 5 |
| Stainless steel materials | 838 | 156 | 82 | 74 | 1 598 | 212 | 7 | 4 |
| Energy coal | 1 982 | 532 | 184 | 348 | 1 986 | 545 | 6 | 2 |
| Petroleum | 3 361 | 1 907 | 500 | 1 407 | 2 504 | 459 | 206 | 144 |
| Steel | 3 760 | 422 | 174 | 248 | 1 965 | 69 | - | - |
| Exploration, technology and new business | 251 | 24 | 31 | (7) | 869 | 408 | 63 | 75 |
| Other activities | 1 251 | 16 | 10 | 6 | 817 | 59 | - | - |
| Group and unallocated ^{(i)(j)} | (351) | (974) | 22 | (996) | 876 | 492 | - | - |
| BHP Billiton Group | 19 079 | 4 211 | 1 672 | 2 539 | 21 468 | 6 435 | 344 | 250 |

Year ended 30 June 2000

| | US\$ million | | | | | | | |
|--|-------------------------|-----------------------|------------------------------------|---------------------|-------------------------------------|----------------------|----------------------------------|--------------------------------------|
| | Turnover ^(a) | EBITDA ^(b) | Depn & amortisation ^(c) | EBIT ^(c) | Net operating assets ^(d) | Capex ^(f) | Exploration gross ^(g) | Exploration to profit ^(h) |

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| | | | | | | | | |
|--|--------|--------|-------|--------|--------|-------|-----|-----|
| Aluminium | 2 357 | 586 | 148 | 438 | 3 216 | 362 | - | - |
| Base metals | 2 374 | 720 | 242 | 478 | 2 244 | 91 | 11 | 8 |
| Carbon steel materials | 2 842 | 98 | 255 | (157) | 2 950 | 190 | 4 | 3 |
| Stainless steel materials | 977 | 272 | 67 | 205 | 1 487 | 337 | 13 | 13 |
| Energy coal | 1 597 | 300 | 163 | 137 | 1 665 | 160 | 8 | 4 |
| Petroleum | 2 971 | 1 670 | 528 | 1 142 | 2 796 | 273 | 153 | 118 |
| Steel | 5 393 | 537 | 288 | 249 | 3 749 | 170 | - | - |
| Exploration, technology and new business | 224 | 41 | 29 | 12 | 416 | 18 | 72 | 70 |
| Other activities | 489 | 167 | 4 | 163 | 582 | 35 | - | - |
| Group and unallocated ^{(i)(k)} | (162) | (376) | 24 | (400) | 606 | 125 | - | - |
| BHP Billiton Group | 18 402 | 4 015 | 1 748 | 2 267 | 19 711 | 1 761 | 261 | 216 |

(a) Turnover does not add to the BHP Billiton Group figure due to inter-segment transactions.

(b) EBITDA is earnings before interest, tax, and depreciation and amortisation.

(c) EBIT is earnings before interest and tax.

(d) Net operating assets comprises all assets and liabilities with the exception of balances related to net debt, taxation and dividends.

(e) Capex in aggregate comprises \$5,676 million growth and \$759 million sustaining.

(f) Capex includes capital and investment expenditure (before deduction of assumed debt), including amounts contributed to joint ventures,

and excludes capitalised interest and capitalised exploration.

(g) Includes \$112 million (2000: \$51 million) capitalised exploration.

(h) Includes \$18 million (2000: \$6 million) exploration expenditure previously capitalised, now written off.

(i) Includes consolidation adjustments and unallocated items.

(j) Includes \$340 million loss representing provisions for related financial obligations to banks and other provisions related

to the decision to cease further investment in HBI Venezuela, and merger transaction and restructuring costs of \$114 million.

(k) Includes \$37 million profit from sale of subsidiaries.

note 2. customer sector group data (continued)

Aluminium

Year ended 30 June 2001

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| | US\$ million | | | | | | |
|-----------------------------------|--------------|-----------------------|---------------------|---------------------|-------------------------------------|---|-----------------------|
| | Turnover | EBITDA ^(a) | Depn & amortisation | EBIT ^(b) | Net operating assets ^(c) | Exploration Capex ^{(d)(e)} gross | Exploration to profit |
| Alumina ^(f) | 520 | 258 | 72 | 186 | 2 190 | 1 525 | |
| Aluminium ^{(g)(h)} | 566 | 502 | 126 | 376 | 2 540 | 110 | |
| Intra-divisional (adjustment 129) | - | - | - | - | - | - | |
| Third party products | 1 014 | 14 | - | 14 | - | - | |
| Total Aluminium 971 | 2 971 | 774 | 198 | 576 | 4 730 | 1 635 | 1 |

Year ended 30 June 2000

| | US\$ million | | | | | | |
|-----------------------------------|--------------|-----------------------|---------------------|---------------------|-------------------------------------|--|-----------------------|
| | Turnover | EBITDA ^(a) | Depn & amortisation | EBIT ^(b) | Net operating assets ^(c) | Exploration Capex ^(e) gross | Exploration to profit |
| Alumina ^(f) | 339 | 128 | 35 | 93 | 766 | 95 | |
| Aluminium ^(g) | 444 | 437 | 113 | 324 | 2 450 | 267 | |
| Intra-divisional (adjustment 114) | - | - | - | - | - | - | |
| Third party products | 688 | 21 | - | 21 | - | - | |
| Total Aluminium 357 | 2 357 | 586 | 148 | 438 | 3 216 | 362 | - |

(a) EBITDA is earnings before interest, tax, and depreciation and amortisation.

(b) EBIT is earnings before interest and tax.

(c) Net operating assets comprises all assets and liabilities with the exception of balances related to net debt, taxation and dividends.

(d) Capex in aggregate comprises \$1,585 million growth and \$50 million sustaining.

(e) Capex includes capital and investment expenditure, including amounts contributed to joint ventures, and excludes capitalised interest and capitalised exploration.

(f) Includes Worsley, Alumar and Paranam refining operations and bauxite mines.

(g) Includes Hillside, Bayside, Alumar, Valesul and Mozal smelting operations.

(h) Includes \$61 million profit from the sale of Mozal expansion rights.

note 2. customer sector group data (continued)

Base Metals

Year ended 30 June 2001

| | US\$ million | | | | | | | |
|---------------------------------|--------------|-----------------------|---------------------|---------------------|-------------------------------------|-------------------------|----------------------------------|-----------------------|
| | Turnover | EBITDA ^(a) | Depn & amortisation | EBIT ^(b) | Net operating assets ^(c) | Capex ^{(d)(e)} | Exploration gross ^(f) | Exploration to profit |
| Escondida | 853 | 415 | 104 | 311 | 1 609 | 231 | | |
| Ok Tedi ^(g) | 503 | (339) | 69 | (408) | 11 | 24 | | |
| Tintaya | 157 | 26 | 29 | (3) | 284 | 47 | | |
| Cerro Colorado | 167 | 86 | 49 | 37 | 694 | 2 | | |
| Antamina | - | - | - | - | 707 | 46 | | |
| Alumbrera | 44 | 22 | - | 22 | 273 | - | | |
| Cannington | 302 | 110 | 25 | 85 | 260 | 11 | | |
| Highland Valley | 46 | 3 | - | 3 | 131 | - | | |
| Other businesses ^(h) | 146 | 9 | 9 | - | (135) | 16 | | |
| Third party products | 13 | - | - | - | - | - | | |
| Total Base Metals | 2 231 | 332 | 285 | 47 | 3 834 | 2 127 | 56 | 19 |

Year ended 30 June 2000

| | US\$ million | | | | | | | |
|----------------|--------------|-----------------------|---------------------|---------------------|-------------------------------------|----------------------|----------------------------------|-----------------------|
| | Turnover | EBITDA ^(a) | Depn & amortisation | EBIT ^(b) | Net operating assets ^(c) | Capex ^(e) | Exploration gross ^(f) | Exploration to profit |
| Escondida | 931 | 446 | 100 | 346 | 1 502 | 52 | | |
| Ok Tedi | 441 | 79 | 66 | 13 | 482 | 15 | | |
| Tintaya | 156 | 29 | 35 | (6) | 265 | 10 | | |
| Cerro Colorado | - | - | - | - | - | - | | |
| Antamina | - | - | - | - | - | - | | |
| Alumbrera | - | - | - | - | - | - | | |

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| | | | | | | | | |
|---------------------------------|-------|-----|-----|-----|-------|----|----|---|
| Cannington | 298 | 97 | 28 | 69 | 345 | 7 | | |
| Highland Valley | - | - | - | - | - | - | | |
| Other businesses ^(h) | 451 | 72 | 13 | 59 | (350) | 7 | | |
| Third party products | 97 | (3) | - | (3) | - | - | | |
| Total Base Metals | 2 374 | 720 | 242 | 478 | 2 244 | 91 | 11 | 8 |

(a) EBITDA is earnings before interest, tax, and depreciation and amortisation.

(b) EBIT is earnings before interest and tax.

(c) Net operating assets comprises all assets and liabilities with the exception of balances related to net debt, taxation and dividends.

(d) Capex in aggregate comprises \$2,022 million growth and \$105 million sustaining. This reflects the acquisition of Rio Algom Limited for \$1,750 million (before deduction of assumed debt) which has not been allocated between the various operations and therefore apex does not add to the Base Metals total.

(e) Capex includes capital and investment expenditure, including amounts contributed to joint ventures, and excludes capitalised interest and capitalised exploration.

(f) Includes \$37 million (2000: \$3 million) capitalised exploration.

(g) Includes a \$430 million loss from the write-off of BHP Billiton's interest in the Ok Tedi copper mine. The net impact on

the BHP Billiton Group is \$148 million (including Equity Minority Interests of \$268 million).

(h) Includes North America Copper mining and smelting operations which ceased during the September 1999 quarter.

note 2. customer sector group data (continued)

Carbon Steel Materials

Year ended 30 June 2001

| | US\$ million | | | | | | | |
|-------------|--------------|-----------------------|---------------------|---------------------|-------------------------------------|-------------------------|----------------------------------|-----------------------|
| | Turnover | EBITDA ^(a) | Depn & amortisation | EBIT ^(b) | Net operating assets ^(c) | Capex ^{(d)(e)} | Exploration gross ^(f) | Exploration to profit |
| WA Iron Ore | 1 059 | 524 | 80 | 444 | 877 | 27 | | |
| Samarco | 224 | 71 | - | 71 | 253 | - | | |
| | 1 283 | 595 | 80 | 515 | 1 130 | 27 | | |

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| | | | | | | | | |
|-----------------------------------|-------|--------|-----|--------|-------|-----|---|---|
| Total Iron Ore | | | | | | | | |
| Queensland Coal ^(g) | 1 161 | 573 | 63 | 510 | 643 | 286 | | |
| Illawarra | 257 | 73 | 17 | 56 | 105 | 12 | | |
| Total | 1 418 | 646 | 80 | 566 | 748 | 298 | | |
| Metallurgical Coal | | | | | | | | |
| Manganese ^(h) | 548 | 126 | 26 | 100 | 413 | 27 | | |
| WA HBI | 91 | (136) | - | (136) | 16 | 31 | | |
| Venezuela HBI ⁽ⁱ⁾ | 20 | (208) | - | (208) | (17) | 46 | | |
| Total HBI | 111 | (344) | - | (344) | (1) | 77 | | |
| Intra-divisional adjustment | (31) | (2) | - | (2) | (1) | - | | |
| Third party products | 40 | 1 | - | 1 | - | - | | |
| Total Carbon Steel | 3 369 | 1 022 | 186 | 836 | 2 289 | 429 | 5 | 5 |

Year ended 30 June 2000

US\$ million

| | Turnover | EBITDA ^(a) | Depn & amortisation | EBIT ^(b) | Net operating assets ^(c) | Capex ^(e) | Exploration gross ^(f) | Exploration to profit |
|--------------------------------|----------|-----------------------|------------------------|---------------------|--|----------------------|-------------------------------------|--------------------------|
| WA Iron Ore | 892 | 413 | 85 | 328 | 1 156 | 14 | | |
| Samarco | 194 | 62 | - | 62 | 236 | 8 | | |
| Total Iron Ore | 1 086 | 475 | 85 | 390 | 1 392 | 22 | | |
| Queensland Coal | 919 | 289 | 100 | 189 | 813 | 38 | | |
| Illawarra | 249 | 50 | 19 | 31 | 121 | 11 | | |
| Total Metallurgical Coal | 1 168 | 339 | 119 | 220 | 934 | 49 | | |
| Manganese ^(h) | 547 | 127 | 28 | 99 | 464 | 32 | | |
| WA HBI ⁽ⁱ⁾ | 45 | (833) | 24 | (857) | (10) | 26 | | |

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| | | | | | | | | |
|-----------------------------|-------|--------|------|--------|-------|-----|---|---|
| Venezuela HBI | 16 | (10) | - | (10) | 172 | 61 | | |
| Total HBI | 61 | (843) | 24 | (867) | 162 | 87 | | |
| Intra-divisional adjustment | (20) | - | (1) | 1 | (2) | - | | |
| Third party products | - | - | - | - | - | - | | |
| Total Carbon Steel | 2 842 | 98 | 255 | (157) | 2 950 | 190 | 4 | 3 |

(a) EBITDA is earnings before interest, tax, and depreciation and amortisation.

(b) EBIT is earnings before interest and tax.

(c) Net operating assets comprises all assets and liabilities with the exception of balances related to net debt, taxation and dividends.

(d) Capex in aggregate comprises \$300 million growth and \$129 million sustaining.

(e) Capex includes capital and investment expenditure, including amounts contributed to joint ventures, and excludes capitalised interest and capitalised exploration.

(f) Includes \$nil (2000: \$1 million) capitalised exploration.

(g) Includes a profit of \$128 million from the sale of interests in the CQCA and Gregory joint ventures to Mitsubishi.

(h) Includes Groote Eylandt Mining Co and Tasmanian Electro Metallurgical Company and the South African Manganese operations of Samancor Limited.

(i) Includes \$180 million loss for the write-off of the equity investment in HBI Venezuela and the establishment of provisions for other associated costs.

(j) Includes \$695 million loss for the write-off of HBI Western Australia.

note 2. customer sector group data (continued)

Stainless Steel Materials
Year ended 30 June 2001

| | US\$ million | | | | | | | |
|-----------------------|--------------|-----------------------|---------------------|---------------------|-------------------------------------|-------------------------|----------------------------------|-----------------------|
| | Turnover | EBITDA ^(a) | Depn & amortisation | EBIT ^(b) | Net operating assets ^(c) | Capex ^{(d)(e)} | Exploration gross ^(f) | Exploration to profit |
| Nickel ^(g) | 457 | 128 | 52 | 76 | 1 300 | 169 | | |

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| | | | | | | | | |
|-----------------------|-----|-----|----|------|-------|-----|---|---|
| Chrome | 375 | 28 | 30 | (2) | 298 | 43 | | |
| Third party products | 6 | - | - | - | - | - | | |
| Total Stainless Steel | 838 | 156 | 82 | 74 | 1 598 | 212 | 7 | 4 |

Year ended 30 June 2000

US\$ million

| | Turnover | EBITDA ^(a) | Depn & amortisation | EBIT ^(b) | Net operating assets ^(c) | Capex ^(e) | Exploration gross ^(f) | Exploration to profit |
|-----------------------|----------|-----------------------|---------------------|---------------------|-------------------------------------|----------------------|----------------------------------|-----------------------|
| Nickel ^(g) | 497 | 179 | 39 | 140 | 1 184 | 305 | | |
| Chrome | 480 | 93 | 28 | 65 | 303 | 32 | | |
| Third party products | - | - | - | - | - | - | | |
| Total Stainless Steel | 977 | 272 | 67 | 205 | 1 487 | 337 | 13 | 13 |

(a) EBITDA is earnings before interest, tax, and depreciation and amortisation.

(b) EBIT is earnings before interest and tax.

(c) Net operating assets comprises all assets and liabilities with the exception of balances related to net debt, taxation and dividends.

(d) Capex in aggregate comprises \$157 million growth and \$55 million sustaining.

(e) Capex includes capital and investment expenditure, including amounts contributed to joint ventures, and excludes capitalised interest and capitalised exploration.

(f) Includes \$3 million (2000: \$nil) capitalised exploration.

(g) Includes the Cerro Matoso mine and ferronickel smelter and the Yabulu nickel refinery.

note 2. customer sector group data (continued)

Energy Coal

Year ended 30 June 2001

US\$ million

| | Turnover | EBITDA ^(a) | Depn & amortisation | EBIT ^(b) | Net operating assets ^(c) | Capex ^{(d)(e)} | Exploration gross ^(f) | Exploration to profit |
|--|----------|-----------------------|---------------------|---------------------|-------------------------------------|-------------------------|----------------------------------|-----------------------|
|--|----------|-----------------------|---------------------|---------------------|-------------------------------------|-------------------------|----------------------------------|-----------------------|

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| | | | | | | | | |
|----------------------|-------|------|-----|-------|-------|-----|---|---|
| Ingwe | 1 039 | 321 | 105 | 216 | 1 131 | 105 | | |
| New Mexico | 409 | 127 | 37 | 90 | 169 | 51 | | |
| COAL ^(g) | 129 | (1) | 14 | (15) | 176 | 17 | | |
| Indonesia | 222 | 63 | 28 | 35 | 117 | 1 | | |
| Colombia | 83 | 16 | - | 16 | 393 | 371 | | |
| Third party products | 100 | 6 | - | 6 | - | - | | |
| Total Energy Coal | 1 982 | 532 | 184 | 348 | 1 986 | 545 | 6 | 2 |

Year ended 30 June 2000

US\$ million

| | Turnover | EBITDA ^(a) | Depn & amortisation | EBIT ^(b) | Net operating assets ^(c) | Capex ^(e) | Exploration gross ^(f) | Exploration to profit |
|--------------------------|----------|-----------------------|---------------------|---------------------|-------------------------------------|----------------------|----------------------------------|-----------------------|
| Ingwe | 890 | 143 | 85 | 58 | 1 149 | 124 | | |
| New Mexico | 368 | 115 | 29 | 86 | 163 | 12 | | |
| COAL | 122 | 11 | 17 | (6) | 194 | 23 | | |
| Indonesia ^(g) | 217 | 31 | 32 | (1) | 159 | 1 | | |
| Colombia | - | - | - | - | - | - | | |
| Third party products | - | - | - | - | - | - | | |
| Total Energy Coal | 1 597 | 300 | 163 | 137 | 1 665 | 160 | 8 | 4 |

(a) EBITDA is earnings before interest, tax, and depreciation and amortisation.

(b) EBIT is earnings before interest and tax.

(c) Net operating assets comprises all assets and liabilities with the exception of balances related to net debt, taxation and dividends.

(d) Capex in aggregate comprises \$416 million growth and \$129 million sustaining.

(e) Capex includes capital and investment expenditure, including amounts contributed to joint ventures, and excludes capitalised interest and capitalised exploration.

(f) Includes \$4 million (2000: \$4 million) capitalised exploration.

(g) Includes \$26 million loss from the write-down of Lake Mines.

Note 2. customer sector group data (continued)

Petroleum

Year ended 30 June 2001

| | US\$ million | | | | | | | |
|-------------------------|-------------------------|-----------------------|---------------------|---------------------|-------------------------------------|-------------------------|----------------------------------|--------------------------------------|
| | Turnover ^(a) | EBITDA ^(b) | Depn & amortisation | EBIT ^(c) | Net operating assets ^(d) | Capex ^{(e)(f)} | Exploration gross ^(g) | Exploration to profit ^(h) |
| Bass Strait | 1 149 | 633 | 91 | 542 | 422 | 55 | | |
| North West Shelf | 731 | 535 | 54 | 481 | 850 | 43 | | |
| Liverpool Bay | 346 | 277 | 105 | 172 | 340 | 48 | | |
| Other businesses | 1 077 | 562 | 250 | 312 | 889 | 313 | | |
| Marketing activities | 164 | 16 | - | 16 | 6 | - | | |
| Intra-divisional adjust | - | - | - | - | (5) | - | | |
| Divisional activities | (106) | (116) | - | (116) | 2 | - | 206 | 144 |
| Total Petroleum | 3 361 | 1 907 | 500 | 1 407 | 2 504 | 459 | 206 | 144 |

Year ended 30 June 2000

| | US\$ million | | | | | | | |
|---------------------------------|-------------------------|-----------------------|---------------------|---------------------|-------------------------------------|----------------------|----------------------------------|--------------------------------------|
| | Turnover ^(a) | EBITDA ^(b) | Depn & amortisation | EBIT ^(c) | Net operating assets ^(d) | Capex ^(f) | Exploration gross ^(g) | Exploration to profit ^(h) |
| Bass Strait | 1 160 | 674 | 126 | 548 | 504 | 89 | | |
| North West Shelf | 634 | 460 | 76 | 384 | 1 025 | 30 | | |
| Liverpool Bay | 325 | 254 | 119 | 135 | 374 | 18 | | |
| Other businesses ⁽ⁱ⁾ | 768 | 464 | 208 | 256 | 905 | 136 | | |
| Marketing activities | 867 | 14 | 1 | 13 | (9) | - | | |
| Intra-divisional adjust | (595) | (2) | (2) | - | (5) | - | | |
| Divisional activities | (188) | (194) | - | (194) | 2 | - | 153 | 118 |

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| | | | | | | | | |
|--------------------|-------|-------|-----|-------|-------|-----|-----|-----|
| Total Petroleum | 2 971 | 1 670 | 528 | 1 142 | 2 796 | 273 | 153 | 118 |
|--------------------|-------|-------|-----|-------|-------|-----|-----|-----|

(a) Petroleum turnover includes: Crude oil \$2,321 million (2000: \$2,038 million), Natural gas \$358 million (2000: \$268 million),

LNG \$291 million (2000: \$248 million) LPG \$198 million (2000: \$190 million) and Other \$193 million (2000: \$227 million).

(b) EBITDA is earnings before interest, tax, and depreciation and amortisation.

(c) EBIT is earnings before interest and tax.

(d) Net operating assets comprises all assets and liabilities with the exception of balances related to net debt, taxation and dividends.

(e) Capex in aggregate comprises \$305 million growth and \$154 million sustaining.

(f) Capex includes capital and investment expenditure, including amounts contributed to joint ventures, and excludes capitalised interest and capitalised exploration.

(g) Includes \$62 million (2000: \$41 million) capitalised exploration.

(h) Includes \$nil (2000: \$6 million) exploration expenditure previously capitalised, now written off.

(i) Includes \$93 million profit on sale of subsidiaries.

note 2. customer sector group data (continued)

Steel

Year ended 30 June 2001

| | US\$ million | | | | | | | |
|---|--------------|-----------------------|---------------------|---------------------|-------------------------------------|-------------------------|-------------------|-----------------------|
| | Turnover | EBITDA ^(a) | Depn & amortisation | EBIT ^(b) | Net operating assets ^(c) | Capex ^{(d)(e)} | Exploration gross | Exploration to profit |
| Flat Products | 1 485 | 114 | 80 | 34 | 1 068 | 35 | | |
| Coated Products | 1 790 | 209 | 59 | 150 | 876 | 23 | | |
| Discontinuing operations ^(f) | 498 | 47 | 20 | 27 | (55) | 8 | | |
| Intra-divisional adjust | (944) | 28 | - | 28 | (17) | - | | |
| Divisional activities | 40 | (21) | 1 | (22) | (8) | - | | |
| Transport & Logistics | 891 | 45 | 14 | 31 | 101 | 3 | | |
| Total Steel | 3 760 | 422 | 174 | 248 | 1 965 | 69 | - | - |

Year ended 30 June 2000

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US\$ million

| | Turnover | EBITDA ^(a) | Depn & amortisation | EBIT ^(b) | Net operating assets ^(c) | Capex ^(e) | Exploration gross | Exploration to profit |
|--|----------|-----------------------|---------------------|---------------------|-------------------------------------|----------------------|-------------------|-----------------------|
| Flat Products | 1 628 | 218 | 89 | 129 | 1 356 | 34 | | |
| Coated Products | 2 208 | 266 | 75 | 191 | 1 086 | 19 | | |
| Discontinuing operations ^{(f)(g)} | 2 167 | 17 | 105 | (88) | 1 229 | 118 | | |
| Intra-divisional adjust | (1 551) | 7 | 2 | 5 | (43) | - | | |
| Divisional activities | 75 | (34) | (1) | (33) | (20) | (6) | | |
| Transport & Logistics | 866 | 63 | 18 | 45 | 141 | 5 | | |
| Total Steel | 5 393 | 537 | 288 | 249 | 3 749 | 170 | - | - |

(a) EBITDA is earnings before interest, tax, and depreciation and amortisation.

(b) EBIT is earnings before interest and tax.

(c) Net operating assets comprises all assets and liabilities with the exception of balances related to net debt, taxation and dividends.

(d) Capex in aggregate comprises \$2 million growth and \$67 million sustaining.

(e) Capex includes capital and investment expenditure, including amounts contributed to joint ventures, and excludes capitalised interest

and capitalised exploration.

(f) Includes the Long Products business (OneSteel Limited) which ceased to report results from November 2000 following spin-out.

(g) Includes the Newcastle primary steelmaking operations, US steel assets (including \$135 million loss on sale), Lifting products

and strip casting assets.

note 2. customer sector group data (continued)

Exploration, Technology and New Business

Year ended 30 June 2001

US\$ million

| | Turnover | EBITDA ^(a) | Depn & amortisation | EBIT ^(b) | Net operating assets ^(c) | Capex ^{(d)(e)} | Exploration gross ^(f) | Exploration to profit ^(g) |
|-------|----------|-----------------------|---------------------|---------------------|-------------------------------------|-------------------------|----------------------------------|--------------------------------------|
| Ekati | 241 | 154 | 26 | 128 | 913 | 405 | | |

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| | | | | | | | | |
|--|-----|--------|----|--------|-------|-----|----|----|
| Exploration and Technology | 10 | (130) | 5 | (135) | (44) | 3 | 63 | 75 |
| Total Exploration, Technology and New Business | 251 | 24 | 31 | (7) | 869 | 408 | 63 | 75 |

Year ended 30 June 2000

US\$ million

| | Turnover | EBITDA ^(a) | Depn & amortisation | EBIT ^(b) | Net operating assets ^(c) | Capex ^(e) | Exploration gross ^(f) | Exploration to profit |
|--|----------|-----------------------|---------------------|---------------------|-------------------------------------|----------------------|----------------------------------|-----------------------|
| Ekati | 217 | 167 | 23 | 144 | 383 | 17 | | |
| Exploration and Technology | 7 | (126) | 6 | (132) | 33 | 1 | 72 | 70 |
| Total Exploration, Technology and New Business | 224 | 41 | 29 | 12 | 416 | 18 | 72 | 70 |

(a) EBITDA is earnings before interest, tax, and depreciation and amortisation.

(b) EBIT is earnings before interest and tax.

(c) Net operating assets comprises all assets and liabilities with the exception of balances related to net debt, taxation and dividends.

(d) Capex in aggregate comprises \$383 million growth, mainly comprising the interest in Dia Met Minerals Limited, and \$25 million sustaining.

(e) Capex includes capital and investment expenditure, including amounts contributed to joint ventures, and excludes capitalised interest and capitalised exploration.

(f) Includes \$6 million (2000: \$2 million) capitalised exploration.

(g) Includes \$18 million (2000: \$nil) exploration expenditure previously capitalised, now written off.

note 2. customer sector group data (continued)

Other Activities

Year ended 30 June 2001

US\$ million

| | Depn & | Net operating | Exploration | Exploration |
|--|--------|---------------|-------------|-------------|
|--|--------|---------------|-------------|-------------|

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| | Turnover | EBITDA ^(a) | amortisation | EBIT ^(b) | assets ^(c) | Capex ^{(d)(e)} | gross | to profit |
|---------------------------------|----------|-----------------------|--------------|---------------------|-----------------------|-------------------------|-------|-----------|
| Metals Distribution | 797 | 30 | 7 | 23 | 317 | 10 | | |
| Columbus ^(f) | 156 | (125) | - | (125) | 138 | 1 | | |
| Other businesses ^(g) | 298 | 111 | 3 | 108 | 362 | 48 | | |
| Total Other Items | 1 251 | 16 | 10 | 6 | 817 | 59 | - | - |

Year ended 30 June 2000

US\$ million

| | Turnover | EBITDA ^(a) | Depn & amortisation | EBIT ^(b) | Net operating assets ^(c) | Capex ^(e) | Exploration gross | Exploration to profit |
|---------------------------------|----------|-----------------------|---------------------|---------------------|-------------------------------------|----------------------|-------------------|-----------------------|
| Metals Distribution | - | - | - | - | - | - | | |
| Columbus | 179 | (1) | - | (1) | 260 | 33 | | |
| Other businesses ^(g) | 310 | 168 | 4 | 164 | 322 | 2 | | |
| Total Other Items | 489 | 167 | 4 | 163 | 582 | 35 | - | - |

(a) EBITDA is earnings before interest, tax, and depreciation and amortisation.

(b) EBIT is earnings before interest and tax.

(c)

Net perating assets comprises all assets and liabilities with the exception of balances related to net debt, taxation and dividends.

(d) Capex in aggregate comprises \$37 million growth and \$22 million sustaining.

(e) Capex includes capital and investment expenditure, including amounts contributed to joint ventures, and excludes capitalised interest and capitalised exploration.

(f) Includes a \$114 million loss from the write-off of BHP Billiton's interest in the Columbus joint venture. The net impact on

the BHP Billiton Group is \$50 million (including Equity Minority Interests of \$34 million).

(g) Includes Richards Bay Minerals operations, Shared Business Services, the Hartley Platinum mine which was sold in January 2001

and the Beenup Mineral sands operations which was closed in April 1999.

BHP BILLITON
PRELIMINARY RESULTS
FOR THE YEAR ENDED 30 JUNE 2001
PART D
BHP BILLITON LTD GROUP RESULTS
For Announcement to the Market

Name of Company

: BHP Billiton Limited

A.B.N

: 49 004 028 077

Preliminary Final Statement for the 12 months to 30/6/01

This preliminary final statement includes the results for the year ended 30 June 2001 compared with the year ended 30 June 2000.

\$A Million

Revenues from ordinary activities up 2.5% to J2,479

Profit from ordinary activities after tax

attributable to members up 26.9% to J,007

Profit from extraordinary items after tax

attributable to members Nil

Net profit for the period

attributable to members up 26.9% to J,007

Profit from ordinary activities after tax

(before amortisation of goodwill) attributable to members up 26.1% to J,012

Final dividend per share declared:

Current period (paid on 2 July 2001) J6.0 cents fully franked at 30%

Previous corresponding period J6.0 cents unfranked

This preliminary final statement was approved by resolution of the Board of Directors.

K J Wood

Company Secretary

BHP Billiton Limited

20 August 2001

BHP Billiton Ltd Group

Profit Report

Year Ended 30 June 2001

(all amounts are expressed in Australian dollars unless otherwise indicated)

Year ended 30 June

| | | | <u>Change %</u> |
|-----------------|-------------|-------------|-----------------|
| - | - | - | |
| Results Summary | <u>2001</u> | <u>2000</u> | |

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| | | | |
|--|--------------|--------------|-------|
| Revenue (\$ million) | | | |
| | 20 698 | 19 872 | +4.2 |
| - Sales revenue | | | |
| | | | |
| - Other revenue | <u>1 781</u> | <u>2 050</u> | -13.1 |
| | 22 479 | 21 922 | +2.5 |
| Profit from ordinary activities before tax (\$ million) | 2 575 | 1 600 | +60.9 |
| Net profit attributable to BHP Billiton Ltd shareholders (\$ million) | 2 007 | 1 581 | +26.9 |
| Basic earnings per share (cents) (adjusted for bonus issue) | 54.4 | 43.3 | +25.6 |
| Return on BHP Billiton Ltd shareholders equity (%) | 18.2 | 15.3 | +19.0 |

Significant Features

- merger with Billiton Plc completed 29 June 2001;
- a record annual profit;
- benefits from lower A\$/US\$ exchange rates;
- higher prices for petroleum products;
- a profit of \$248 million from the sale of interests in Queensland Coal;
- lower debt levels and gearing; and
- charges related to HBI Venezuela (\$811 million) and Ok Tedi (\$286 million), partly offset by benefits due to changes in accounting policies (\$320 million).

Group Result

Significant Developments

On 29 June 2001 BHP Ltd (BHP) and Billiton Plc (Billiton) completed a merger to establish a diversified global resources group, called BHP Billiton. The legal entities have been renamed BHP Billiton Ltd and BHP Billiton Plc.

Under the terms of the merger one existing Billiton share had an economic interest equivalent to 0.4842 existing BHP shares and to ensure that the economic and voting interest of each BHP and Billiton share was equivalent there was a bonus issue to BHP shareholders at a ratio of 1.0651 additional BHP shares for each existing BHP share held on 5 July 2001.

The Dual Listed Companies (DLC) structure of the merger means that the existing primary listings on the Australian and London stock exchanges will be maintained, as will the secondary listing on the Johannesburg Stock Exchange, (and an American Depositary Receipt listing on the New York Stock Exchange).

Basis of Profit Report Preparation

This Profit Report presents the BHP Billiton Ltd Group stand-alone profit for the year ended 30 June 2001 under Australian generally accepted accounting principles in Australian dollars on the basis that the BHP Billiton Ltd Group was a stand-alone group for the full year ended 30 June 2001.

The profit results of BHP Billiton (Combined Group) and BHP Billiton Plc as a stand-alone entity for the year ended 30 June 2001 under United Kingdom generally accepted accounting principles in United States dollars have been presented in separate Profit Reports.

In this report all references to the corresponding period are to the 12 months ended 30 June 2000 which has been restated to treat items previously regarded as abnormal to be included within the determination of profit or loss from ordinary activities.

Annual Result

The profit after tax attributable to the BHP Billiton Ltd Group shareholders for the year ended 30 June 2001 was \$2,007 million. This was an increase of \$426 million or 26.9% compared with the corresponding period.

Basic earnings per share (adjusted for the bonus issue) were 54.4 cents compared with 43.3 cents for the corresponding period.

The following major factors affected profit after tax attributable to BHP Billiton Ltd Group shareholders for the year ended 30 June 2001 compared with the corresponding period:

Exchange rates (positive impact of \$610 million)

Foreign currency fluctuations net of hedging had a favourable effect of approximately \$610 million compared with the corresponding period.

Prices (positive impact of \$360 million)

Higher prices, after commodity hedging, for petroleum products and iron ore increased profit by approximately \$460 million compared with the corresponding period. These increases were partly offset by lower prices for steel products which decreased profit by approximately \$85 million compared with the corresponding period.

Asset sales (positive impact of \$225 million)

Profits from asset sales were approximately \$225 million higher than in the corresponding period mainly reflecting a profit of \$248 million (no tax effect) from the sale of interests in the Central Queensland Coal Associates (CQCA) and Gregory joint ventures.

New operations (positive impact of \$180 million)

Higher profits from the Laminaria/Corallina oil fields (North West Australia) and equity accounted profits from QCT Resources Limited (QCT) contributed approximately \$170 million for the year.

Ceased, Sold and Discontinuing operations (negative impact of \$185 million)

Increased equity accounted losses from HBI Venezuela had an unfavourable effect on results of approximately \$80 million compared with the corresponding period. The corresponding period included profits from discontinued steel operations of approximately \$45 million, and profits of approximately \$35 million from the Kutubu, Gobe and Moran producing fields (Papua New Guinea) and the Buffalo oil field (North West Australia) which have been sold.

Exploration (negative impact of \$115 million)

Exploration expenditure charged to profit was approximately \$115 million higher than in the corresponding period mainly reflecting petroleum exploration activity in the Gulf of Mexico (USA), Latin America and Algeria, and the write-off of previously capitalised exploration expenditure for the Agua Rica copper project (Argentina).

Costs (negative impact of \$80 million)

Costs had an unfavourable impact of approximately \$80 million compared with the corresponding period. This was mainly due to implementation costs associated with the introduction of Shared Business Services, higher development and work-over costs at petroleum operations in the Gulf of Mexico, dragline maintenance shutdowns at Queensland coal operations, higher royalty and diesel costs at West Australian iron ore operations, and higher superannuation contributions following cessation of a contribution holiday in the corresponding period. These were partly offset by lower borrowing costs.

Other (negative impact of \$579 million)

The result for the current year includes the following significant items:

- a charge to profit of \$811 million after tax for the write-off of the equity investment in HBI Venezuela and the establishment of provisions for related financial obligations to banks and other associated costs;
- a charge to profit of \$286 million after tax including outside equity interests for the write-off of the BHP Billiton Ltd Group's interest in the Ok Tedi copper mine (Papua New Guinea);
- a charge to profit of \$71 million (no tax effect) for merger transaction costs;
- a charge to profit of \$63 million for non-deductibility of financing costs in connection with the acquisition of the Utah Group in the early 1980s;
- a charge to profit of \$62 million after tax for organisation restructuring costs and provisions mainly related to the merger; and

- a profit of \$320 million after tax for changes in accounting policy to align treatment of defined benefit pension plans and restoration and rehabilitation for the Combined Group.

The result for the corresponding period included a charge to profit of \$394 million comprising losses from the write-down of assets and provisions for restructuring costs of \$862 million, partly offset by tax benefits of \$468 million arising from the restatement of deferred tax balances as a consequence of the change in the Australian company tax rate and from the finalisation of funding arrangements.

Details of significant items by category and segment are included in Supplementary Information on pages 19 and 20.

Segment Results (after tax)

Year ended 30 June

| | 2001 | 2000 | |
|---|-------------------|-------------------|-----------------|
| | <u>\$ million</u> | <u>\$ million</u> | <u>Change %</u> |
| Minerals | 624 | 436 | +43.1 |
| Petroleum | 1 916 | 1 286 | +49.0 |
| Steel | 323 | 283 | +14.1 |
| Services (1) | | 94 | |
| Net unallocated interest | (343) | (472) | |
| Group and unallocated items | (1 011) | (78) | |
| Net profit before | | | |
| outside equity interests | 1 509 | 1 549 | -2.6 |
| Outside equity interests | 498 | 32 | |
| Net profit attributable to members of BHP Billiton Ltd | 2 007 | 1 581 | +26.9 |

(1)

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Following various asset sales and an internal reorganisation the Services segment is no longer reported. Transport and Logistics is now reported in Steel, and Shared Business Services, Insurances and Corporate Services are reported in Group and unallocated items. Comparative data has been adjusted accordingly. 2000 data for Services mainly relates to profits from businesses which have been sold.

A detailed analysis of the segments' results is discussed on pages 6 to 13. This analysis is based on results before outside equity interests.

Minerals

Minerals' result for the year was a profit of \$624 million, an increase of \$188 million or 43.1% compared with the corresponding period.

Major factors which affected comparison of results were:

- favourable effect of the lower A\$/US\$ exchange rate;
- a profit from the sale of interests in the CQCA and Gregory joint ventures to Mitsubishi Development Pty Ltd (Mitsubishi);
- higher iron ore prices and volumes; and
- higher coal prices and volumes.

These were partly offset by:

- a net loss from write-offs as follows:
- an \$804 million loss after tax excluding outside equity interests from the write-off of the BHP Billiton Ltd Group's interest in the Ok Tedi copper mine;
- a \$356 million loss (no tax effect) from the write-off of the equity investment in HBI Venezuela and the establishment of provisions for other associated costs; and
- a \$41 million loss (no tax effect) from the write-off of the Agua Rica copper project and related investments; the above were reduced by
- a \$794 million loss after tax in the corresponding period from the write-off of HBI Western Australia.
- increased equity accounted losses from HBI Venezuela during the year resulting from production ramp-up difficulties and the cessation of interest capitalisation following commissioning;
- the restatement of deferred tax balances in the corresponding period due to changes in the Australian company tax rates;
- higher costs at Queensland coal operations due to dragline maintenance shutdowns and West Australian iron ore operations due to higher royalty and diesel costs;
- a charge to profit for a change in accounting policy for restoration and rehabilitation;

- additional tax benefits in the corresponding period in respect of certain overseas exploration expenditure for which no deduction had previously been recognised; and
- organisation restructuring costs and provisions resulting from the BHP Billiton merger.

Over the last year the BHP Billiton Ltd Group has been negotiating with the other shareholders on the terms and conditions related to its exit from Ok Tedi. Based on the status of these negotiations it has been decided to write-off the BHP Billiton Ltd Group's share of Ok Tedi's net assets (\$286 million after tax and outside equity interests). The Minerals segment results include an \$804 million write-off adjustment reflecting 100% of the net assets of Ok Tedi which is prior to deducting outside equity interests of \$518 million. From 1 July 2001 no profit will be recognised for Ok Tedi except to the extent that dividends are received by the BHP Billiton Ltd Group.

The decision to cease further investment in HBI Venezuela was announced in the third quarter following a detailed review of the future economic value of the asset. The review identified that, in the context of changed operating and market conditions, the BHP Billiton Ltd Group does not expect the plant to meet the BHP Billiton Ltd Group's operational and financial performance targets necessary to justify any further investment in the project, nor would it satisfy bank completion requirements for project financing. These factors coupled with possible partner funding issues influenced the decision.

The average price booked for copper shipments for the year, after hedging and finalisation adjustments, was US\$0.78 per pound (2000 - US\$0.79). Finalisation adjustments after tax, mainly representing adjustments on prior period shipments settled since 30 June 2000, were \$16.3 million unfavourable (2000 - \$28.1 million favourable).

Unhedged copper shipments not finalised at 30 June 2001 have been brought to account at the London Metal Exchange (LME) copper spot price on Friday 29 June 2001 of US\$0.70 per pound.

Exploration expenditure was \$137 million for the year (2000 - \$101 million) and the charge against profit was \$156 million (2000 - \$92 million). The charge against profit includes \$33 million of previously capitalised exploration expenditure that has been written off (Agua Rica).

Significant developments during the year included:

- the BHP Billiton Ltd Group successfully acquired 98.2% of the Class A subordinate voting shares (Class A shares) and 84.9% of the Class B multiple voting shares (Class B shares) in Dia Met Minerals Ltd (Dia Met) for C\$21.00 per share. This price valued Dia Met at \$813 million. The BHP Billiton Ltd Group intends to exercise its statutory right to compulsorily acquire the remaining Class A shares. Following this, the BHP Billiton Ltd Group may consider a "going private" transaction to acquire the remaining Class B shares. Dia Met is a publicly traded Canadian minerals exploration and development company with a primary focus on diamonds. Dia Met's principal asset is a 29% joint venture interest in the EkatiTM diamond mine;
- the BHP Billiton Ltd Group and Mitsubishi jointly acquired QCT. In December 2000, a range of integration activities was announced, including the closure of South Blackwater (Queensland) underground mining by December 2001 and the combining of the South Blackwater open cut operations with the existing CQCA Blackwater mine. Subsequently in June 2001, the BHP Billiton Ltd Group and Mitsubishi completed an agreement to move to equal ownership of their interests in the CQCA and Gregory joint ventures (JV). The agreement resulted in the transfer of 18.285% of the CQCA JV and 30.325% of the Gregory JV from the BHP Billiton Ltd Group to Mitsubishi for \$1,005 million, comprising net proceeds from the sale of approximately \$760 million together with \$245 million mainly representing the assumption by Mitsubishi of the BHP Billiton Ltd Group's share of debt held by QCT. The BHP Billiton Ltd Group and Mitsubishi will jointly

operate the assets and market the coal produced;

- approval was granted for the \$130 million expansion of the CQCA Blackwater coal mine. Production from the Blackwater mine will be increased by five million tonnes per annum which is currently being sourced from the higher cost South Blackwater operation;
- the BHP Billiton Ltd Group announced it would continue to operate its West Australian HBI plant based on strict technical and financial performance criteria relating to campaign length, productivity, maintenance turnaround and input costs. At the time of the announcement in December 2000 continued operation required an additional \$110 million capital investment to implement additional technical modifications across the plant;
- the BHP Billiton Ltd Group and Pohang Iron & Steel Co Ltd (POSCO) signed a Letter of Intent to enter into a joint venture for the development and operation of an iron ore mine within the 'C Deposit' sub lease which is part of the broader Mining Area C area in the central Pilbara, Western Australia. The BHP Billiton Ltd Group managed Goldsworthy Mining Associates Joint Venture and POSCO will undertake a feasibility study for the development with full scale mining expected to commence in late calendar 2003;
- approval was granted for the US\$148 million development of an underground longwall mine at the San Juan thermal coal operations in New Mexico (USA). The mine will replace the existing San Juan and La Plata surface mines and will be the sole coal source for the adjacent San Juan Generating Station;
- approval was granted for the US\$138 million expansion of the Tintaya copper operations in Southern Peru. The expansion includes a new solvent extraction electrowinning (SX/EW) facility that will initially produce 34,000 tonnes of copper cathode per annum. First production is expected in mid calendar 2002;
- the BHP Billiton Ltd Group and its joint venture partners in the Escondida (Chile) copper mine approved the US\$1,045 million Escondida Phase IV expansion project (BHP Billiton Ltd Group share US\$600 million (\$1,090 million)). The expansion will be completed within two years and will increase ore processing facilities by 85% resulting in an average increase in copper production of 400,000 tonnes per annum, boosting average total production to 1.2 million tonnes per annum over the first five years of full production;
- agreement was reached between the BHP Billiton Ltd Group and Nippon Steel on iron ore prices for the year which commenced 1 April 2001. The prices of Mt Newman fine ore, Yandi fines products and Mt Goldsworthy fines will increase by 4.3%. The price premium for lump ore will be maintained at US 9.05 cents per dry long ton unit;
- the BHP Billiton Ltd Group settled terms for the majority of its annually priced metallurgical coal contracts as they relate to the Queensland Coal operations. Hard coking coal US dollar prices have increased by a weighted average 16% across all markets. Tonnages are expected to increase by 2 million tonnes to 35.5 million tonnes in 100% terms. Semi-soft coal US dollar prices have increased across all markets by a weighted average of 22%. Volumes are expected to be similar to 2001 at 9.5 million tonnes; and
- the BHP Billiton Ltd Group reached agreement with Falconbridge Limited on the formation of a joint venture which may lead to the development of the Gag Island nickel laterite project in Indonesia.

Petroleum

Petroleum's result for the year was a profit of \$1,916 million, an increase of \$630 million or 49.0% compared with the corresponding period.

Major factors which affected comparison of results were:

- ◆ favourable effect of lower A\$/US\$ exchange rate;
- ◆ higher average realised oil price net of commodity hedging of US\$28.04 (A\$52.16) per barrel compared to US\$22.86 (A\$36.67) per barrel in the corresponding period. The average realised oil price before commodity hedging was US\$29.39 per barrel (2000 - US\$25.21 per barrel);
- ◆ higher natural gas, liquefied natural gas (LNG) and liquefied petroleum gas (LPG) prices;
- ◆ higher profits from the Laminaria/Corallina oil fields which commenced operations in November 1999; and
- ◆ profit from a change in accounting policy for restoration and rehabilitation.

These were partly offset by:

- ◆ lower Bass Strait (Victoria) oil sales volumes;
- ◆ lower profits from the sale of assets; and
- ◆ higher exploration charged to profit reflecting exploration activity in the Gulf of Mexico, Latin America and Algeria.

Oil and condensate production was 1% lower than the corresponding period due to natural field decline at Bass Strait, the sale of the Buffalo oil field and lower Bruce (UK) production due to shut-ins for repairs. These were partly offset by higher volumes at the Laminaria/Corallina oil fields in their first full year of production, Liverpool Bay (UK) due to strong performance following a major maintenance shutdown, and Griffin (North West Australia) due to the impact of the infill wells and favourable weather conditions for operations.

Natural gas production was 15% higher than the corresponding period which was largely attributable to higher volumes from Bass Strait, higher volumes from Bruce and Griffin, and the commencement of production at the Zamzama field (Pakistan) late in March 2001.

LNG production at the North West Shelf (NWS) in Western Australia was 5% lower than the corresponding period mainly due to longer than planned maintenance shut-downs in October 2000.

Exploration expenditure for the year was \$385 million (2000 - \$247 million). Exploration expenditure charged to profit was \$271 million (2000 - \$190 million).

Significant developments during the year included:

- ◆ the BHP Billiton Ltd Group announced approval for a fourth train expansion of the NWS LNG processing facilities. This expansion provides additional capacity of 4.2 mtpa (BHP Billiton Ltd Group share 0.70 mtpa) at a total cost of \$2.4 billion (BHP Billiton Ltd Group share \$400 million). NWS LNG sales arrangements were agreed with five Japanese gas and power companies for the supply of LNG for delivered plateau volumes of 3.3 mtpa, and cover the supply of LNG for a long-term period starting in mid-calendar 2004;

- ◆ the BHP Billiton Ltd Group and Esso Australia Resources Pty Ltd signed a long-term supply agreement with Duke Energy International enabling the introduction of natural gas to Tasmania. The supply agreement will provide substantial underpinning volumes for the pipeline for up to 15 years starting in 2002;
- ◆ a production enhancement project on the Laminaria oil field has been approved. The project will accelerate production from the existing reserves base and also access undeveloped oil reserves, resulting in an additional 21 million barrels of production (BHP Billiton Ltd Group share 6.8 million barrels) over the first two years after start up. The capital cost of the project is approximately \$130 million (BHP Billiton Ltd Group share \$44 million);
- ◆ results from the Atlantis-2 appraisal well and sidetrack confirmed a major oil accumulation with a multi-hundred million barrel resource potential. Atlantis-2, located in the Atwater Foldbelt ultra deepwater area of the Gulf of Mexico, encountered oil bearing sands with net pay in excess of 153 metres (500 feet). Results of the Atlantis-2 sidetrack well confirmed a lateral extension of the known range of the Atlantis hydrocarbon accumulation of up to 1.6 kilometres (one mile) from the original wellbore, and also confirmed the continuity and quality of the Miocene reservoir sands with a net pay in excess of 92 metres (300 feet) true vertical thickness;
- ◆ results from the drilling of Mad Dog #3 appraisal well, located in Green Canyon Block 783 in the Gulf of Mexico, indicated the extent of the previously recognised Miocene reservoirs and provided a better understanding of the structural complexity of the field. A sidetrack was drilled to a total depth of 22,426 feet, confirming the lateral extent and thickness of the hydrocarbon-bearing Miocene reservoirs penetrated in the original wellbore;
- ◆ the BHP Billiton Ltd Group acquired a 4.95 per cent interest in the Genesis field in the deep water Gulf of Mexico. The BHP Billiton Ltd Group's share of this field is expected to generate 3,000 barrels of oil equivalent per day for the first two years of production;
- ◆ the BHP Billiton Ltd Group was successful in purchasing 12 blocks in the Outer Continental Shelf Central Gulf of Mexico Lease Sale;
- ◆ the sale of the BHP Billiton Ltd Group's interest in the Buffalo oil field to Nexen Petroleum Australia Pty Limited was successfully completed;
- ◆ the BHP Billiton Ltd Group agreed to sell a parcel of interests in its Algerian oil and gas exploration and development activities to Woodside Petroleum Ltd. Woodside have taken a 15 per cent interest in the Ohanet Risk Service Contract, a 50 per cent increase in the Boukhechba production sharing contract and a 50 per cent interest in the Ouest Hassi R'Mel Gas Study Agreement. The transaction is subject to Algerian government approvals;
- ◆ the BHP Billiton Ltd Group began contractual gas sales from its Extended Well Test on the Zamzama gas field in southern Pakistan in March 2001 at a rate of 70 mmcf/d;
- ◆ approval was granted for the development of the Echo/Yodel gas condensate field on the NWS; and
- ◆ results were released from the drilling of the Chinook prospect, an ultra-deepwater exploratory well, representing the first test of the BHP Billiton Ltd Group's Walker Ridge acreage in the Gulf of Mexico. Hydrocarbons were found, but not in commercial quantities. The well has been plugged and abandoned.

●
Steel

Steel's result for the year was a profit of \$323 million, an increase of \$40 million or 14.1% compared with the corresponding period.

Major factors which affected comparison of results were:

- ◆ items in the corresponding period totalling approximately \$100 million loss, comprising a loss on sale of US West Coast businesses, overall profits from discontinued businesses and tax benefits from changes in Australian company tax rates;
- ◆ favourable effect of the lower A\$/US\$ exchange rate;
- ◆ improved operating performance from the Asian businesses;
- ◆ one-off benefits realised on the spin-out of OneSteel Limited; and
- ◆ additional tax benefits in respect of losses from New Zealand operations, for which no deduction has previously been recognised.

These were partly offset by:

- ◆ lower international prices;
- ◆ lower sales volumes of coated products to the Australian market reflecting reduced building activity; and
- ◆ the impact of industrial action at Port Kembla steelworks (New South Wales).

Steel despatches from flat and coated operations were 5.34 million tonnes for the year, 10% above the corresponding period:

- Australian domestic despatches were 2.09 million tonnes, 9% above the corresponding period. The inclusion of despatches to OneSteel Limited (previously treated as despatches within the BHP Billiton Ltd Group) were partly offset by lower sales volumes of coated products;
- Australian export despatches were 2.36 million tonnes, up 15%;
- New Zealand steel despatches were 0.54 million tonnes, down 3%; and
- despatches from overseas plants were 0.36 million tonnes, up 9%.

Steel despatches from discontinued operations for the year were 0.70 million tonnes, 77% below the corresponding period primarily due to the spin-out of OneSteel Limited in October 2000 and sale of the US West Coast businesses in the fourth quarter of the corresponding period.

Significant developments during the year included:

- ◆ BHP Billiton Ltd announced its intention to spin-out the remaining Steel businesses. The spin-out is expected to be completed no later than the end of fiscal 2002;
- ◆ approval was granted for the upgrade of the Port Kembla steelworks sinter plant. The \$94 million upgrade will significantly reduce both dust levels and other emissions in and around the steelworks;
- ◆ the spin-out of the Long Products business, OneSteel Limited, in October 2000; and
- ◆ the signing of an agreement with e-STEEL Corporation to build and operate a customised steel-based e-commerce network.

Net unallocated interest

Net unallocated interest expense was \$343 million for the year compared with \$472 million for the corresponding period. The decrease was mainly due to significantly lower funding levels, increased interest income and higher capitalised interest. These factors were partly offset by higher interest rates in the United States and Australia and the unfavourable effect of exchange rate movements.

Group and unallocated items

The result for Group and unallocated items was a loss of \$1,011 million for the year compared with a loss of \$78 million for the corresponding period.

The result for the year included a loss of \$455 million after tax representing provisions for related financial obligations to banks and other provisions related to the decision to cease further investment in HBI Venezuela, and a loss of \$63 million for non-deductibility of financing costs in connection with the acquisition of the Utah Group in the early 1980s, partly offset by a profit of \$265 million after tax related to a change in accounting policy for defined benefit pension plans. The corresponding period included a \$190 million tax benefit arising from funding arrangements related to HBI Western Australia and a \$112 million tax benefit arising from finalisation of funding arrangements related to the Beenup mineral sands project.

The current year also included losses of \$448 million after tax from external foreign currency hedging compared with losses of \$178 million after tax in the corresponding period. This mainly reflects the lower value of the Australian dollar relative to the US dollar for currency hedging contracts settled during the year.

The result also included costs associated with the BHP Billiton merger and implementation costs associated with the introduction of Shared Business Services.

Significant developments during the year included:

- ◆ BHP Billiton Ltd announced an on-market share buy-back program for the purchase of up to 90 million shares (approximately five percent of issued capital). Following implementation of the DLC, the buy-back program has been adjusted such that the number of shares purchased continues to represent approximately five percent of issued capital. The buy-back program is expected to be completed by September 2002, depending on market circumstances;
- ◆ as a consequence of an income tax audit conducted by the Australian Taxation Office (ATO), an amount of \$229 million has been subject to litigation.

The dispute concerns the deductibility of financing costs paid to General Electric Company in connection with the BHP Billiton Ltd Group's acquisition of the Utah Group in the early 1980's. On 23 November 1999, the Federal Court ruled in favour of the BHP Billiton Ltd Group. On 18 October 2000, the Full Bench of the Federal Court ruled in favour of the ATO. The BHP Billiton Ltd Group sought leave to appeal to the High Court of Australia (High Court) and the hearing occurred on 10 August 2001. The High Court has refused the BHP Billiton Ltd Group leave to appeal on the general question of deductibility but did allow leave to appeal on the question of whether the ATO had the power to amend the 1985 assessment.

An amount of \$79 million was paid in 1992 and up to 2001 was accounted for as a non-current asset. At 30 June 2001, the accounts have been adjusted to include a tax expense of \$63 million relating to refusal of the High Court to grant leave to appeal on the deductibility of financing costs. A non-current asset of \$16 million will be carried forward.

In July 2001, the outstanding balance of \$150 million was paid. This amount will also be recorded as a non-current asset in the 2002 fiscal year. This together with the \$16 million carried forward from the 2001 year represents the tax and interest in dispute in relation to the 1985 assessment; and

- a 'self insurance' model to manage commodity and currency price risks was adopted. The 'self insurance' model utilises natural hedges as the principal means of managing market risk. Hedging transactions will only be undertaken when it is necessary to mitigate residual risk from underlying exposures in order to support the BHP Billiton Ltd Group's strategic objectives.

Outside equity interests

Outside equity interests' share of net profit decreased by \$466 million mainly due to the impact of the Ok Tedi write-off adjustment of \$518 million reflecting outside equity interest's share of Ok Tedi's net assets at 30 June 2001.

Consolidated Financial Results

| | Year ended 30 June | | |
|----------------------------------|--------------------|-------------------|--------|
| | 2001 | 2000 | Change |
| | <u>\$ million</u> | <u>\$ million</u> | % |
| Revenue from ordinary activities | | | |
| Sales | 20 698 | 19 872 | +4.2 |
| Interest revenue | 110 | 89 | +23.6 |
| Other revenue (1) | 1 671 | 1 961 | -14.8 |
| | 22 479 | 21 922 | +2.5 |

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| | | | |
|---|-------|-------|-------|
| Profit from ordinary activities before depreciation, amortisation and borrowing costs | 5 530 | 4 404 | +25.6 |
| Deduct: Depreciation and amortisation | 2 402 | 2 140 | |
| Borrowing costs (2) | 553 | 664 | |
| Profit from ordinary activities before tax | 2 575 | 1 600 | +60.9 |
| Deduct: Tax expense attributable to ordinary activities | 1 066 | 51 | |
| Net profit | 1 509 | 1 549 | -2.6 |
| Outside equity interests in net profit | 498 | 32 | |
| Net profit attributable to members of BHP Billiton Ltd | 2 007 | 1 581 | +26.9 |
| Average A\$/US\$ hedge settlement rate | 54¢ | 63¢ | |
| (1) | | | |
| Excludes share of net profit of associates accounted for using the equity method. | | | |
| (2) | \$28m | \$15m | |
| After deducting capitalised interest of | | | |

Consolidated Financial Results

Revenue

Sales revenue of \$20,698 million increased by \$826 million or 4.2% compared with the corresponding period. This mainly reflects the effect of the significantly lower A\$/US\$ exchange rate, higher prices for petroleum products and higher iron ore volumes and prices. This is partly offset by the effect of reduced steel sales volumes following the spin-out of OneSteel Limited and the sale of the US West Coast businesses. Other revenue decreased by \$290 million mainly reflecting lower proceeds from asset sales.

Depreciation and Amortisation

Depreciation and amortisation charges increased by \$262 million to \$2,402 million. This mainly reflects the impact of the change in accounting policy for restoration and rehabilitation, the unfavourable effect of

exchange rate variations and higher depreciation on recently commissioned operations, partly offset by depreciation in the corresponding period on businesses that have been sold.

Borrowing Costs

Borrowing costs decreased by \$111 million to \$553 million, mainly due to significantly lower funding levels and higher capitalised interest, partly offset by higher interest rates and the unfavourable effect of exchange rate movements.

Tax Expense

Tax expense of \$1,066 million was \$1,015 million higher than for the corresponding period. The charge for the year represented an effective tax rate of 41.4% (2000 - 3.2%). This is higher than the nominal Australian tax rate of 34% primarily due to the non tax-effecting of the Ok Tedi write-off and the HBI Venezuela equity investment write-off, overseas exploration expenditure for which no deduction is presently available, non-deductibility of financing costs in relation to the Utah Group acquisition in the early 1980s, non-deductible interest expense on preference shares and non-deductible accounting depreciation and amortisation. These factors were partly offset by the recognition of tax benefits in respect of certain prior year overseas exploration expenditure and operating losses and non tax-effected capital gains.

Consolidated Financial Results - Quarterly and Half Yearly Results

| | Net profit/(loss) attributable to members | |
|----------------|---|-------------------|
| | of BHP Billiton Ltd | |
| | 2001 | 2000 |
| | <u>\$ million</u> | <u>\$ million</u> |
| First quarter | 715 | 534 |
| Second quarter | 712 | 676 |
| First Half | 1 427 | 1 210 |
| Third quarter | 27 | (46) |
| Fourth quarter | 553 | 417 |
| Second Half | 580 | 371 |
| Total | 2 007 | 1 581 |
| | Basic earnings per share(1) | |

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| | 2001 | 2000 |
|----------------|--------------|--------------|
| | <u>Cents</u> | <u>Cents</u> |
| First quarter | 19.4 | 14.7 |
| Second quarter | 19.3 | 18.5 |
| Third quarter | 0.7 | (1.2) |
| Fourth quarter | 15.0 | 11.3 |
| Total | 54.4 | 43.3 |

(1) Based on net profit attributable to members of BHP Billiton Ltd divided by the weighted average number of fully paid ordinary shares. The weighted average number of shares for the year ended 30 June 2001 was 3,689,327,000 (2000 - 3,654,984,855) after adjusting for the impact of the bonus issue of 1.0651 additional BHP shares for each existing BHP share held on 5 July 2001.

(2) Excluding the bonus issue, basic earnings per share for the year ended 30 June 2001 was 112.3 cents (2000 - 89.3 cents) comprising the first quarter 40.1 cents (2000 - 30.4 cents), second quarter 39.9 cents (2000 - 38.4 cents), third quarter 1.5 cents (2000 - (2.6) cents) and fourth quarter 30.8 cents (2000 - 23.1 cents).

Other Information

| | Year ended 30 June | |
|---|--------------------|-------------|
| | <u>2001</u> | <u>2000</u> |
| Profit from ordinary activities before tax as a percentage of sales revenue (%) | 12.4 | 8.1 |
| Return on BHP Billiton Ltd shareholders' equity (%) | 18.2 | 15.3 |
| Basic earnings per share (cents)(1) | 54.4 | 43.3 |
| Diluted earnings per share (cents)(2) | 53.9 | 42.8 |
| Basic earnings per American Depositary Share (US cents)(3) | 55.5 | 51.7 |
| Net tangible assets per fully paid share \$(4) | 3.0 | 2.8 |
| Gearing ratio (%) | 38.3 | 42.7 |
| Interest cover (times) | 5.4 | 3.3 |

(1) Based on net profit attributable to members of BHP Billiton Ltd divided by the weighted average number

of fully paid ordinary shares. The weighted average number of shares for the year ended 30 June 2001

was 3,689,327,000 (2000 - 3,654,709,124), after adjusting for the impact of the bonus issue.

(2) Based on adjusted net profit attributable to members of BHP Billiton Ltd divided by the weighted average number of fully paid ordinary shares adjusted for the effect of Employee Share Plan options and

Executive Share Scheme partly paid shares to the extent they were dilutive at balance date. 5,815,536

potential shares for Performance Rights are excluded; these would only be included when an issue of

new shares is expected to occur. The weighted average diluted number of shares for the year ended

30 June 2001 was 3,766,544,465 (2000 - 3,754,598,996), after adjusting for the impact of the bonus issue

(3) Each American Depositary Share (ADS) represents two fully paid ordinary shares. Translated at the

noon buying rate on Friday 29 June 2001 as certified by the Federal Reserve Bank of New York

A\$1=US\$0.5100 (2000 - A\$1=US\$0.5971).

(4) Based on the number of fully paid shares as at 30 June 2001 of 3,704,256,885, after adjusting for the impact of the bonus issue.

Dividends or Equivalent Declared

| | | Year ended 30 June | | | |
|--|------------------|--------------------|------------------|-------------------|--|
| | | 2001 | | 2000 | |
| | Cents | Total | Cents | Total | |
| | per | amount | per | amount | |
| | <u>share</u> (1) | <u>\$ million</u> | <u>share</u> (1) | <u>\$ million</u> | |

For payment

| | | | | |
|------------------------|-------------|-----|-------------|-----|
| November | | | 25.0 (2) | 440 |
| December | 25.0 (2) | 446 | | |
| July | 26.0 (3)(4) | 466 | 26.0 (2)(5) | 463 |
| Dividends paid/payable | 51.0 | 912 | 51.0 | 903 |

(1) Pre bonus issue.

(2) Unfranked dividends.

(3) Fully franked at 30 cents in the dollar.

(4) Paid on 2 July 2001.

(5) Paid on 3 July 2000.

Financial Data

The financial data upon which this report has been based complies with the requirements of the Corporations Act 2001, with all applicable Australian Accounting Standards and Urgent Issues Group Consensus Views, and gives a true and fair view of the matters disclosed. The results are subject to audit. BHP Billiton Ltd has a formally constituted Risk Management and Audit Committee of the Board of Directors.

This report is made in accordance with a resolution of the Board of Directors.

Annual General Meeting

The Annual General Meeting of the BHP Billiton Ltd will be held at the Melbourne Convention Centre (John Batman Theatre) on 16 October 2001 at 9.30am. The meeting will be broadcast live on the Internet at <http://www.bhpbilliton.com> to enable shareholders to observe the proceedings. The Annual Report and details of the business to be conducted at the meeting will be mailed to shareholders in mid September 2001.

A further release will be made to the Australian Stock Exchange Limited when the balance of the information required by its Listing Rules is available.

K J Wood

Company Secretary

BHP Billiton Ltd

Supplementary information - Significant Items (Annual)

| Year ended 30 June 2001 | | \$ million | | |
|---------------------------------------|--------------------------------|--------------|------------|------------|
| Significant items by category | | <u>Gross</u> | <u>Tax</u> | <u>Net</u> |
| Asset write-offs and provisions: | | | | |
| Minerals | Ok Tedi (1) | (832) | 28 | (804) |
| | HBI Venezuela (2) | (356) | - | (356) |
| Group and unallocated items | HBI Venezuela (2) | (672) | 217 | (455) |
| | | (1 860) | 245 | (1 615) |
| Asset sales: | | | | |
| Minerals | Queensland Coal interests | 248 | - | 248 |
| | | 248 | - | 248 |
| Restructuring costs and provisions: | | | | |
| Minerals | | (32) | 9 | (23) |
| Steel | | (44) | 15 | (29) |
| Group and unallocated items | | (14) | 4 | (10) |
| | | (90) | 28 | (62) |
| Merger costs: | | | | |
| Group and unallocated items | | (71) | - | (71) |
| | | (71) | - | (71) |
| Non-deductibility of financing costs: | | | | |
| Group and unallocated items | | | (63) | (63) |
| | | | (63) | (63) |
| Changes in accounting policy: | | | | |
| Minerals | Restoration and rehabilitation | (78) | 24 | (54) |
| Petroleum | Restoration and rehabilitation | 156 | (47) | 109 |
| Group and unallocated items | Pension plans | 379 | (114) | 265 |
| | | 457 | (137) | 320 |
| Total by category | | (1 316) | 73 | (1 243) |
| Significant items by segment | | | | |
| Minerals | | (1 050) | 61 | (989) |
| Petroleum | | 156 | (47) | 109 |

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| | | | |
|-----------------------------|---------|----|---------|
| Steel | (44) | 15 | (29) |
| Group and unallocated items | (378) | 44 | (334) |
| Total by segment | (1 316) | 73 | (1 243) |

(1) Before deducting the impact on Outside Equity Interests of \$518 million. The impact on

The BHP Billiton Ltd Group was \$286 million after tax.

(2) The total loss on the write-off of the equity investment in HBI Venezuela and the establishment

of provisions to cover related financial obligations to banks and other associated costs is

\$811 million, of which \$356 million (no tax effect) is reported in Minerals and \$455 million (after tax)

is reported in Group and unallocated items.

Supplementary information - Significant Items (Annual)

Year ended 30 June 2000

\$ million

| Significant items by category | <u>Gross</u> | <u>Tax</u> | <u>Net</u> |
|---|--------------|------------|------------|
| Asset write-offs: | | | |
| Minerals | (1 138) | 344 | (794) |
| | (1 138) | 344 | (794) |
| Asset sales: | | | |
| Petroleum | 150 | (1) | 149 |
| Steel | (227) | 4 | (223) |
| Services | 63 | - | 63 |
| | (14) | 3 | (11) |
| Restructuring costs and provisions: | | | |
| Minerals | (9) | 1 | (8) |
| Petroleum | (21) | 7 | (14) |
| Steel | (31) | 11 | (20) |
| Group and unallocated items | (42) | 16 | (26) |
| | (103) | 35 | (68) |
| Restatement of deferred tax balances: (1) | | | |
| Minerals | | 58 | 58 |
| Petroleum | | 36 | 36 |
| Steel | | 87 | 87 |
| Net unallocated interest | | (3) | (3) |

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| | | | |
|--|------------------|---------|------------|
| Group and unallocated items | | (12) | (12) |
| | | 166 | 166 |
| Tax benefit on finalisation of funding arrangements: | | | |
| Group and unallocated items | | 302 | 302 |
| | | 302 | 302 |
| Total by category | (1 255) | 850 | (405) |
| Significant items by segment | | | |
| Minerals | (1 147) | 403 | (744) |
| Petroleum | 129 | 42 | 171 |
| Steel | (258) | 102 | (156) |
| Services (2) | 63 | - | 63 |
| Net unallocated interest | - | (3) | (3) |
| Group and unallocated items | (42) | 306 | 264 |
| | Total by segment | (1 255) | 850 (405) |

(1) Restatement of deferred tax balances as a consequence of the change in tax rate from 36% to 34% and 30% applicable from 1 July 2000 and 2001 respectively.

(2) Following various asset sales and an internal reorganisation the Services segment ceased to be

reported from 1 July 2001. Transport and Logistics is now reported in Steel, and Shared Business

Services, Insurances and Corporate Services are reported in Group and unallocated items.

Supplementary Information - Segment Results (Annual)

Annual comparison - June 2001 with June 2000 (1)

Year ended 30 June 2001 (\$ million)

| Revenue(2) | | | Profit | | | | | |
|------------------|-------|-------------|-----------|-----------------|-----------------|--------|--------|------------|
| Other | | | EBITDA(4) | Dep'n & amort'n | Borrowing costs | EBT(5) | Tax | Net profit |
| Sales revenue(3) | Total | | | | | | | |
| 9 524 | 967 | 10 Minerals | 2 320 | (1 050) | - | 1 270 | (646) | 624 |
| | | 491 | | | | | | |

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| | | | | | | | | | |
|--------|-------|--------|--------------------------------|---------|---------|-------|---------|---------|---------|
| 6 257 | 138 | 6 395 | Petroleum | 3 757 | (1 007) | (1) | 2 749 | (833) | 1 916 |
| 6 587 | 85 | 6 672 | Steel | 726 | (321) | (1) | 404 | (81) | 323 |
| - | 93 | 93 | Net unallocated interest | 93 | - | (551) | (458) | 115 | (343) |
| (610) | 514 | (96) | Group and unallocated items(6) | (1 366) | (24) | - | (1 390) | 379 | (1 011) |
| 20 698 | 1 781 | 22 479 | BHP Billiton Ltd Group | 5 530 | (2 402) | (553) | 2 575 | (1 066) | 1 509 |

Revenue(2)

Profit

| | Other revenue(3) | Total | | EBITDA(4) | Dep'n & amort'n | Borrowing costs | EBT(5) | Tax | Net profit |
|--------|------------------|--------|--------------------------------|-----------|-----------------|-----------------|--------|-------|------------|
| 8 108 | 514 | 8 622 | Minerals | 1 291 | (827) | - | 464 | (28) | 436 |
| 4 774 | 607 | 5 381 | Petroleum | 2 651 | (833) | - | 1 818 | (532) | 1 286 |
| 8 260 | 673 | 8 933 | Steel | 824 | (457) | (1) | 366 | (83) | 283 |
| 296 | 145 | 441 | Services | 109 | (10) | - | 99 | (5) | 94 |
| - | 60 | 60 | Net unallocated interest | 60 | - | (663) | (603) | 131 | (472) |
| (296) | 87 | (209) | Group and unallocated items(6) | (531) | (13) | - | (544) | 466 | (78) |
| 19 872 | 2 050 | 21 922 | BHP Billiton Ltd Group | 4 404 | (2 140) | (664) | 1 600 | (51) | 1 549 |

(1) Before outside equity interests.

(2) Revenues do not add to the BHP Billiton Ltd Group figure due to intersegment transactions.

(3) Excludes share of net profit of associates accounted for using the equity method.

(4) EBITDA is earnings before borrowing costs, tax, and depreciation and amortisation.

(5) EBT (earnings before tax) is usually EBIT (earnings before borrowing costs and tax) for Businesses excluding Net unallocated interest and BHP Billiton Ltd Group.

(6) Includes consolidation adjustments and unallocated items.

Supplementary Information - Segment Results (Quarter)

Quarterly comparison - June 2001 with June 2000 (1)

Quarter ended 30 June 2001 (\$ million)

| Revenue(2) | | | Profit | | | | | |
|------------|------------|-------|-------------------|---------|--------|--------|--------|--------|
| Other | | | Dep'n & Borrowing | | | Net | | |
| Sales | revenue(3) | Total | EBITDA(4) | amort'n | costs | EBT(5) | Tax | profit |
| 2 645 | 842 | 3 487 | 203 | (398) | - | (195) | (98) | (293) |
| 1 516 | 10 | 1 526 | 1 026 | (326) | (1) | 699 | (227) | 472 |
| 1 598 | 55 | 1 653 | 54 | (74) | - | (20) | 15 | (5) |
| - | 29 | 29 | 29 | - | (114) | (85) | 26 | (59) |
| (163) | 377 | 214 | (7) | (15) | - | (22) | (67) | (89) |
| 5 329 | 1 307 | 6 636 | 1 305 | (813) | (115) | 377 | (351) | 26 |

Quarter ended 30 June 2000 (\$ million)

| Revenue(2) | | | Profit | | | | | |
|------------|------------|-------|-------------------|---------|--------|--------|--------|--------|
| Other | | | Dep'n & Borrowing | | | Net | | |
| Sales | revenue(3) | Total | EBITDA(4) | amort'n | costs | EBT(5) | Tax | profit |
| 2 094 | 54 | 2 148 | 622 | (208) | - | 414 | (53) | 361 |
| 1 466 | 141 | 1 607 | 802 | (260) | - | 542 | (165) | 377 |
| 2 232 | 574 | 2 806 | (16) | (97) | (1) | (114) | (6) | (120) |
| 49 | 68 | 117 | 70 | (2) | - | 68 | - | 68 |
| - | 22 | 22 | 22 | - | (156) | (134) | 19 | (115) |

| | | | | | | | | | |
|--------|-----|--------|--------------------------------------|--------|--------|--------|--------|----|-------------|
| | | | Net unallocated interest | | | | | | |
| (109) | 3 | (106) | Group and unallocated items(6) | (226) | (4) | - | (230) | 67 | (163) |
| 5 464 | 862 | 6 326 | BHP Billiton Ltd Group | 1 274 | (571) | (157) | 546 | (| 408 138) |

(1) Before outside equity interests.

(2) Revenues do not add to the BHP Billiton Ltd Group figure due to intersegment transactions.

(3) Excludes share of net profit of associates accounted for using the equity method.

(4) EBITDA is earnings before borrowing costs, tax, and depreciation and amortisation.

(5) EBT (earnings before tax) is usually EBIT (earnings before borrowing costs and tax)

for Businesses excluding Net unallocated interest and BHP Billiton Ltd Group.

(6) Includes consolidation adjustments and unallocated items.

Supplementary Information - Segment Results (Quarter)

Quarterly comparison - June 2001 with March 2001 (1)

Quarter ended 30 June 2001 (\$ million)

| Revenue (2) | | | Profit | | | | | | |
|-------------|---------------------|-------|--------------------|--------------------|--------------------|--------|--------|---------------|--------|
| Sales | Other revenue(3) | Total | EBITDA(4) | Dep'n & amort'n | Borrowing costs | EBT(5) | Tax | Net profit | |
| 2 645 | 842 | 3 487 | Minerals | 203 | (398) | - | (195) | (98) | (293) |
| 1 516 | 10 | 1 526 | Petroleum | 1 026 | (326) | (1) | 699 | (227) | 472 |
| 1 598 | 55 | 1 653 | Steel | 54 | (74) | - | (20) | 15 | (5) |
| - | 29 | 29 | Net unallocated | 29 | - | (114) | (85) | 26 | (59) |

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| | | | | | | | | | |
|--------|-------|-------|--------------------------------|-------|--------|--------|-------|--------|-------|
| | | | interest | | | | | | |
| (163) | 377 | 214 | Group and unallocated items(6) | (7) | (15) | - | (22) | (67) | (89) |
| 5 329 | 1 307 | 6 636 | BHP Billiton Ltd Group | 1 305 | (813) | (115) | 377 | (351) | 26 |

Quarter ended 31 March 2001 (\$ million)

Revenue (2)

Profit

| | Other | | | Dep'n & Borrowing | | | | | Net |
|--------|------------|--------|--------------------------------|-------------------|--------|--------|--------|--------|--------|
| Sales | revenue(3) | Total | EBITDA(4) | amort'n | costs | EBT(5) | Tax | | profit |
| 2 347 | 42 | 2 389 | Minerals | 502 | (226) | - | 276 | (193) | 83 |
| 1 539 | 111 | 1 650 | Petroleum | 1 016 | (234) | - | 782 | (235) | 547 |
| 1 416 | 2 | 1 418 | Steel | 143 | (69) | - | 74 | 2 | 76 |
| - | 25 | 25 | Net unallocated interest | 25 | - | (126) | (101) | 37 | (64) |
| (152) | 28 | (124) | Group and unallocated items(6) | (907) | (3) | - | (910) | 295 | (615) |
| 4 863 | 204 | 5 067 | BHP Billiton Ltd Group | 779 | (532) | (126) | 121 | (94) | 27 |

(1) Before outside equity interests.

(2) Revenues do not add to the BHP Billiton Ltd Group figure due to intersegment transactions.

(3) Excludes share of net profit of associates accounted for using the equity method.

(4) EBITDA is earnings before borrowing costs, tax, and depreciation and amortisation.

(5) EBT (earnings before tax) is usually EBIT (earnings before borrowing costs and tax) for Businesses excluding Net unallocated interest and BHP Billiton Ltd Group.

(6) Includes consolidation adjustments and unallocated items.

Supplementary Information - Business Results

| Year ended 30 June 2001 | \$ million | | | | | |
|----------------------------|----------------------|------------|-----------------------------------|---------------|--|---|
| | Sales (1) revenue | EBITDA (2) | Depreciation & amortisation | Net assets | Capital & (3) investment expenditure | Exploration (before tax) Gross Charged (5) (4) to profit |
| Minerals | | | | | | |
| WA | 1 966 | 959 | 140 | 1 414 | 51 | |
| Samarco (6) | | 89 | | 454 | - | |
| Total Iron Ore | 1 966 | 1 048 | 140 | 1 868 | 51 | |
| Queensland (7) | 1 847 | 1 042 | 116 | 1 110 | 541 | |
| New Mexico | 762 | 235 | 68 | 273 | 97 | |
| Illawarra | 480 | 136 | 32 | 165 | 22 | |
| Kalimantan | 418 | 121 | 54 | 116 | 2 | |
| Total Coal | 3 507 | 1 534 | 270 | 1 664 | 662 | |
| WA | 172 | (252) | - | 171 | 57 | |
| Venezuela (6) | | (453) | | (39) | 76 | |
| Total HBI | 172 | (705) | - | 132 | 133 | |
| Escondida | 1 592 | 764 | 189 | 2 970 | 443 | |
| Tintaya | 294 | 46 | 54 | 534 | 91 | |
| Ok Tedi | 937 | (657) | 128 | (56) | 46 | |
| Total Copper | 2 823 | 153 | 371 | 3 448 | 580 | |
| Ekati | 448 | 285 | 46 | 1 469 | 783 | |
| Cannington | 545 | 195 | 46 | 444 | 19 | |
| | 94 | 8 | 5 | (678) | - | |

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| | | | | | | | | |
|------------------------------|---------|--------|-------|-------|-------|-----|-----|---|
| Other businesses (8) | | | | | | | | |
| Development | 20 | (159) | 7 | 442 | 5 | | | |
| Intra divisional adjustment | (66) | (1) | | (2) | | | | |
| Divisional activities | 15 | (118) | 7 | 1 | - | | | |
| Accounting policy change (9) | | 80 | 158 | | | | | |
| | 9 524 | 2 320 | 1 050 | 8 788 | 2 233 | 137 | 156 | |
| Petroleum (10) | | | | | | | | |
| Bass Strait | 2 139 | 1 182 | 162 | 810 | 102 | | | |
| North West Shelf | 1 358 | 989 | 97 | 1 280 | 80 | | | |
| Liverpool Bay | 648 | 512 | 194 | 554 | 90 | | | |
| Other Businesses | 2 004 | 1 036 | 455 | 1 572 | 582 | | | |
| Marketing activities | 303 | 17 | - | 11 | - | | | |
| Intra-divisional adjustment | - | - | - | | | | | - |
| Divisional activities | (195) | (234) | - | 3 | - | 385 | 271 | |
| Accounting policy change (9) | | 255 | 99 | | | | | |
| | 6 257 | 3 757 | 1 007 | 4 230 | 854 | 385 | 271 | |
| Steel | | | | | | | | |
| Flat Products(11) | 2 399 | 176 | 148 | 1 808 | 66 | | | |
| Coated Products | 3 316 | 384 | 111 | 1 639 | 43 | | | |
| Discontinuing Operations(12) | 881 | 81 | 36 | (61) | 15 | | | |
| Intra-divisional adjustment | (1 741) | 40 | | (17) | (2) | | | |
| Divisional activities | 73 | (40) | - | (5) | 1 | | | |

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| | | | | | | | |
|---------------------------------|--------|---------|-------|---------|-------|-----|-----|
| Transport and Logistics | 1 659 | 85 | 26 | 179 | 6 | | |
| | 6 587 | 726 | 321 | 3 543 | 129 | - | - |
| Net Unallocated Interest | | 93 | | (6 084) | | | |
| Group and unallocated items(13) | (610) | (1 366) | 24 | 771 | 254 | | |
| BHP Billiton Ltd Group | 20 698 | 5 530 | 2 402 | 11 248 | 3 470 | 522 | 427 |

(1) Sales revenues do not add to the BHP Billiton Ltd Group figure due to intersegment transactions.

(2) EBITDA is earnings before borrowing costs, tax, and depreciation and amortisation.

(3) Excludes capitalised interest and capitalised exploration.

(4) Includes capitalised exploration: Minerals \$14 million and

Petroleum \$114 million.

(5) Includes \$33 million Minerals exploration expenditure previously capitalised, now written off.

(6) Equity accounted investments.

(7) Includes equity accounted results for QCT Resources Limited which was acquired in November 2000 and ceased following equalisation of interests with Mitsubishi

(8) Includes North America Copper mining and smelting operations which ceased during the September 1999 quarter, the Beenup mineral sands operation which was closed in April 1999 and the Hartley Platinum mine which was sold in January 2001

(9) Net adjustment for change in accounting policy for restoration and rehabilitation provisions.

(10) Petroleum sales revenue includes: Crude oil \$4,320 million, Natural gas \$666 million, LNG \$542 million, LPG \$369 million and Other \$360 million.

(11) Includes North Star BHP Steel.

(12) Includes the Long Products businesses (OneSteel) which ceased

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(13) Included within Group and Unallocated items EBITDA is \$379 million for change in accounting policy for defined benefit pension plans.

Supplementary Information - Business Results

| Year ended | \$ million | | | | | | |
|----------------------|----------------------|-----------------------|-----------------------------|------------|-------------------------------------|--------------------------|------------------------|
| 30 June 2000 | Sales ⁽¹⁾ | EBITDA ⁽²⁾ | Depreciation & amortisation | Net assets | Capital & investment ⁽³⁾ | Exploration (before tax) | |
| | revenue | | | | expenditure | Gross ⁽⁴⁾ | Charged ⁽⁵⁾ |
| | | | | | | | to profit |
| Minerals | | | | | | | |
| WA | 1 425 | 655 | 135 | 1 521 | 22 | | |
| Samarco (6) | | 51 | | 348 | 14 | | |
| Total Iron Ore | 1 425 | 706 | 135 | 1 869 | 36 | | |
| Queensland | 1 459 | 497 | 142 | 1 148 | 60 | | |
| New Mexico | 585 | 184 | 47 | 216 | 20 | | |
| Illawarra | 397 | 78 | 29 | 189 | 18 | | |
| Kalimantan | 352 | 53 | 50 | 189 | 2 | | |
| Total Coal | 2 793 | 812 | 268 | 1 742 | 100 | | |
| WA | 71 | (1 359) | 8 | 259 | 42 | | |
| Venezuela (6) | | (16) | | 283 | 102 | | |
| Total HBI | 71 | (1 375) | 8 | 542 | 144 | | |
| Escondida | 1 512 | 737 | 159 | 2 295 | 86 | | |
| Tintaya | 253 | 48 | 57 | 427 | 16 | | |
| Ok Tedi | 711 | 112 | 104 | 665 | 26 | | |
| Total Copper | 2 476 | 897 | 320 | 3 387 | 128 | | |
| Ekati | 343 | 263 | 35 | 527 | 28 | | |
| Cannington | 467 | 146 | 45 | 493 | 11 | | |
| Other businesses (7) | 575 | 64 | 5 | (634) | 9 | | |

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| | | | | | | | |
|-------------------------------|---------|--------|-------|---------|-------|-----|-----|
| Development | 12 | (118) | 9 | 349 | 3 | | |
| Intra divisional adjustment | (38) | 2 | - | (3) | - | | |
| Divisional activities | (16) | (106) | 2 | 19 | (7) | | |
| | 8 108 | 1 291 | 827 | 8 291 | 452 | 101 | 92 |
| Petroleum (8) | | | | | | | |
| Bass Strait | 1 850 | 1 085 | 197 | 631 | 141 | | |
| North West Shelf | 1 016 | 736 | 122 | 1 159 | 47 | | |
| Liverpool Bay | 522 | 403 | 186 | 527 | 29 | | |
| Other Businesses | 1 242 | 809 | 328 | 1 135 | 219 | | |
| Marketing activities | 1 387 | 14 | - | (15) | 1 | | |
| Intra-divisional adjustment | (943) | - | | (7) | | | |
| Divisional activities | (300) | (396) | - | 4 | - | 247 | 190 |
| | 4 774 | 2 651 | 833 | 3 434 | 437 | 247 | 190 |
| Steel | | | | | | | |
| Flat Products (9) | 2 267 | 324 | 142 | 1 904 | 55 | | |
| Coated Products (10) | 3 516 | 425 | 120 | 1 659 | 31 | | |
| Discontinuing Operations (11) | 3 452 | 13 | 165 | 2 061 | 195 | | |
| Intra-divisional adjustment | (2 475) | 17 | - | (44) | - | | |
| Divisional activities (10) | 118 | (55) | - | (21) | (12) | | |
| Transport and Logistics | 1 382 | 100 | 30 | 180 | 8 | | |
| | 8 260 | 824 | 457 | 5 739 | 277 | - | - |
| Services | 296 | 109 | 10 | (5) | 8 | | |
| Net Unallocated Interest | | 60 | - | (7 007) | - | | |
| Group and unallocated items | (296) | (531) | 13 | 553 | 125 | | |
| BHP Billiton Ltd Group | 19 872 | 4 404 | 2 140 | 11 005 | 1299 | 348 | 282 |

- | | |
|---|--|
| <p>(1) Sales revenues do not add to the BHP Billiton Ltd Group figure due to intersegment transactions.</p> <p>(2) EBITDA is earnings before borrowing costs, tax, and depreciation and amortisation.</p> <p>(3) Excludes capitalised interest and capitalised exploration.</p> <p>(4) Includes capitalised exploration: Minerals \$9 million and Petroleum \$67 million.</p> <p>(5) Includes \$10 million Petroleum exploration expenditure previously capitalised, now written off</p> <p>(6) Equity accounted investments.</p> | <p>(7) Includes North America Copper mining and smelting operations which ceased during the September 1999 quarter, the Beenup mineral sands operation which closed in April 1999, and the Hartley Platinum mine which suspended operations during the period.</p> <p>(8) Petroleum sales revenue includes: Crude oil \$3,274 million, Natural gas \$430 million, LNG \$398 million, LPG \$305 million and Other \$367 million.</p> <p>(9) Includes North Star BHP Steel.</p> <p>(10) Coated Products' head office costs have been reclassified from Divisional activities into Coated Products.</p> <p>(11) Includes the Long Products businesses (OneSteel), Newcastle primary steelmaking operations, US steel assets, Lifting Products and strip casting assets.</p> |
|---|--|

Supplementary information - Risk management

PORTFOLIO RISK MANAGEMENT

Foreign exchange risk management

The table below provides information as at 30 June 2001 regarding the BHP Billiton Ltd Group's significant derivative financial instruments used to hedge US dollar sales revenues that are sensitive to changes in exchange rates for the forthcoming twelve months.

| | Weighted average A\$/US\$ exchange rate | | | Contract amounts |
|--------------------|---|--------------|-------------|------------------|
| | Forwards | Call options | Put options | US\$ million |
| US Dollars | | | | |
| Q1 2002 - forwards | 0.6954 | - | - | 300 |

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| | | | | | |
|----|---------------------|--------|--------|--------|-----|
| | - collar options | - | 0.6678 | 0.6372 | 60 |
| | - purchased options | - | 0.5500 | - | 30 |
| | - sold options | - | - | - | - |
| Q2 | - forwards | 0.6933 | - | - | 270 |
| | - collar options | - | 0.6837 | 0.6504 | 60 |
| | - purchased options | - | 0.5500 | - | 60 |
| | - sold options | - | - | - | - |
| Q3 | - forwards | 0.6848 | - | - | 270 |
| | - collar options | - | 0.6807 | 0.6609 | 60 |
| | - purchased options | - | 0.5500 | - | 30 |
| | - sold options | - | - | - | - |
| Q4 | - forwards | 0.6804 | - | - | 300 |
| | - collar options | - | 0.6845 | 0.6536 | 50 |
| | - purchased options | - | 0.5500 | - | 10 |
| | - sold options | - | - | - | - |

Commodity price risk management

As at 30 June 2001 there were no significant commodity price derivative financial instruments outstanding.

STRATEGIC FINANCIAL TRANSACTIONS

As at 30 June 2001 there were no strategic financial derivative transactions outstanding.

BHP BILLITON

PRELIMINARY RESULTS

FOR THE YEAR ENDED 30 JUNE 2001

PART E

BHP BILLITON PLC GROUP PRO FORMA RESULTS

BHP BILLITON

PRELIMINARY RESULTS FOR THE YEAR ENDED 30 JUNE 2001

PART E

BHP BILLITON PLC GROUP PRO FORMA RESULTS

Part E1: Operating and Financial Review

Status of financial information

BHP Billiton Plc (formerly Billiton Plc) and BHP Billiton Limited (formerly BHP Limited) entered into a dual listed company ("DLC") merger on 29 June 2001. The DLC merger will be reflected in the financial statements of BHP Billiton Plc using the merger method of accounting and consequently these will include both BHP Billiton Plc and its subsidiaries and BHP Billiton Limited and its subsidiaries as though they had always been combined. Financial information prepared on this basis is set out in Part C of this preliminary announcement "BHP Billiton Group Results".

The financial information in this Part of this preliminary announcement has been prepared on the basis that the DLC merger had not been consummated prior to 30 June 2001 (except that merger related costs have been recognised) and so does not include BHP Billiton Limited and its subsidiaries.

The figures for the two years ended 30 June 2001 and 30 June 2000 are unaudited and do not constitute the Company's statutory accounts. The statutory accounts for the year ended 30 June 2001 will be provided on the basis of the financial information presented by the Directors in Part C of this preliminary announcement and will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The statutory accounts for the year ended 30 June 2000 received an unqualified audit report without statements under section 237 of the Companies Act 1985 and have been filed with the Registrar of Companies.

Basis of presentation of financial information

The financial information is presented in accordance with UK generally accepted accounting principles, except that it does not reflect the DLC merger. The reporting currency is US dollars, the dominant currency in which BHP Billiton Plc and the companies in which it has holdings operate.

The financial information in this Part of the preliminary announcement has been prepared on the same basis and using the same accounting policies as were used in preparing the financial statements for the year ended 30 June 2000, except that BHP Billiton Plc has adopted two changes to its accounting policies for deferred tax and exploration costs principally to align policies between BHP Billiton Plc and BHP Billiton Limited.

Deferred tax

The Group has adopted FRS 19 ("Deferred tax"). Prior to the adoption of FRS 19, the BHP Billiton Plc Group provided for deferred taxation under the liability method only to the extent that it was probable that a liability or asset would crystallise in the foreseeable future. As a result of FRS19, the new policy requires that full provision is made for deferred taxation on all timing differences which have arisen but have not reversed at

balance sheet date, except as follows:

- ◆ Tax payable on the future remittance of the past earnings of subsidiaries, associates and joint ventures is provided only to the extent that dividends have been accrued as receivable or a binding agreement to distribute all past earnings exists;
- ◆ Deferred tax is not recognised on the difference between book values and fair values of non-monetary assets arising on acquisitions unless there is a binding agreement to sell such an asset and the gain or loss expected to arise has been recognised; and
- ◆ Deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

The adoption of the new policy, which has been made by way of an adjustment to previously published results as though the revised policy had always been applied by the BHP Billiton Plc Group, has had the following effects:

- ◆ The previously published figures at 1 July 1999 and 30 June 2000 have been restated as follows:
 - a. deferred tax has been increased by US\$288 million and US\$294 million respectively;
 - b. goodwill has been increased by US\$111 million and US\$104 million respectively due to increased deferred tax liabilities at the date of acquisition of businesses; and
 - c. investments in joint ventures have been reduced by US\$49 million and US\$49 million respectively

resulting in decreases in shareholders' funds of US\$189 million and US\$200 million after taking account of minority interests of US\$37 million and US\$39 million respectively;
- ◆ Operating profit and the tax charge on profits from ordinary activities for the year ended 30 June 2000 have been decreased by US\$7 million and increased by US\$6 million respectively from the figures previously published, resulting in profit after tax and attributable profit being decreased by US\$13 million and US\$11 million respectively; and
- ◆ The impact on the current year operating profit and charge for taxation is a decrease of US\$7 million and of US\$58 million respectively, resulting in attributable profit being increased by US\$37 million, of which US\$18 million is attributable to exceptional items.

Exploration costs

Previously, expenditure incurred prior to a project being considered to be commercially viable was effectively recognised as a charge to the profit and loss account. Expenditure incurred subsequent to the determination of commercial viability was capitalised; costs previously charged to the profit and loss account were written back to the extent that they were considered to be recoverable.

The policy has been changed so that costs previously recognised in the profit and loss account are not written back when a project is considered to have become commercially viable.

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The adoption of the new policy, which has been made by way of an adjustment to previously published results as though the revised policy had always been applied by the BHP Billiton Plc Group, has had the following effects:

- ◆ Exploration expenditure at 1 July 1999 and 30 June 2000 and shareholders' funds as at those dates have been reduced by US\$15 million;
- ◆ The current year exploration cost has been reduced by US\$5 million and profit after tax has been increased by the same amount.

Results for financial year 2001

Overview

The results for the year were:

| | 12 months to 30.6.01 | | | |
|---|----------------------|----------------------|--------------------------|----------------------|
| | Group total | Acquired activities* | Group excl. acquisitions | 12 months to 30.6.00 |
| (including joint ventures and associates) | US\$m | US\$m | US\$m | US\$m |
| Group: | | | | |
| Turnover | 7,333 | 1,146 | 6,187 | 5,550 |
| Operating costs | (6,341) | (1,058) | (5,283) | (4,707) |
| Operating profit | 992 | 88 | 904 | 843 |
| Production: | | | | |
| Turnover | 5,363 | 349 | 5,014 | 4,766 |
| Related operating costs | (4,415) | (284) | (4,131) | (3,941) |
| Operating profit | 948 | 65 | 883 | 825 |
| Margin | 17.7% | 18.6% | 17.6% | 17.3% |
| Trading and metals distribution: | | | | |
| Turnover | 1,970 | 797 | 1,173 | 784 |
| Related operating costs | (1,926) | (774) | (1,152) | (766) |
| Operating profit | 44 | 23 | 21 | 18 |
| Margin | 2.2% | 2.9% | 1.8% | 2.3% |

* Acquired activities comprise Rio Algom (including the metals distribution business) and the Colombian coal interests

The results for the year ended 30 June 2001 include contributions from the acquisition of Rio Algom (October 2000) and the additional 56 % interest in Worsley (January 2001) as well as from the increased production at Mozal (first metal June 2000) and the addition of the second line at the Cerro Matoso nickel facility in

Colombia (January 2001).

Turnover, including share of joint ventures and associates, rose by 32% to US\$7,333 million. Of this figure, turnover from production was 13% higher at US\$5,363 million. This arises principally through acquisitions and completed projects during the year. Turnover from third party trading, including joint ventures, rose by 151% to US\$1,970 million. This arises principally due to the acquisition of the Metals Distribution business of Rio Algom as well as increased trading of aluminium/alumina and the commencement of trading in coal and ferroalloys. Excluding the impact of the Rio Algom acquisition, turnover from trading increased by 50%.

Operating profit from production, including share of joint ventures and associates, rose by 15% from US\$825 million to US\$948 million. Operating profit from third party trading, including share of joint ventures, increased from US\$18 million to US\$44 million, an increase of 144% of which US\$23 million related to the Metals Distribution business. Excluding the impact of the acquisition, operating profit from trading increased by 17% though margins were weaker than in the previous year.

The operating profit for the year was affected by a number of exceptional items as follows:

| | <u>US\$m</u> |
|--|--------------|
| Write down in carrying values of assets: | (140) |
| Columbus JV | (114) |
| Lake Mines | (26) |
| Sale of expansion rights at Mozal | 61 |
| DLC merger related items: | (49) |
| Restructuring costs | (12) |
| Employee share awards | (37) |
| | (128) |

The partners in the Columbus joint venture have entered into a conditional agreement to sell part of their investment and the carrying value of Columbus has reduced by US\$114 million to reflect the expected transaction value. The tax effect is a credit of US\$30 million and the impact on attributable profit after taking account of minority interests is a charge of US\$50 million.

An impairment provision of US\$26 million (US\$20 million after tax) has been recorded by the coal business in respect of its interest in the Lakes Mines (Australia) following a reassessment of its expected future value to the BHP Billiton Plc Group.

In addition to its 47% interest in the Mozal aluminium smelter, the BHP Billiton Plc Group owned expansion rights amounting to 85%. During the year it sold expansion rights of 38% to its partners (for consideration valued at US\$61 million (US\$ 40 million net of tax)), resulting in the Group having a 47% interest both in the existing smelter and in the expansion.

Restructuring costs and the cost of the accelerated vesting of executive share incentives consequent on the DLC Merger resulted in a charge to operating profit of US\$49 million (US\$37 million after tax). The merger transaction costs of US\$55 million (no tax effect) have been charged as a non-operating exceptional item.

Excluding the exceptional items, operating profit from production including joint ventures and associates, rose from US\$825 million to US\$1,076 million, an increase of 30 %.

The approximate impact of the factors underlying this improvement in operating profit are analysed in the following tables:

| | US\$m |
|--|-------|
| Operating profit (including joint ventures) for 2000 | 843 |
| Change in sales prices | 77 |
| Increased sales volumes | 27 |
| Increase in costs linked to commodity sales prices (net of hedging in 2000 financial year) | (59) |
| Efficiency gains at production units | 76 |
| Acquisitions and disposals | 120 |
| Weakening of currencies of key operating territories relative to the US dollar | 236 |
| Inflation impact on costs | (180) |

| | |
|---|-------|
| Reorganisation costs | (10) |
| Other items (including trading and central items) | (10) |
| Operating profit (excluding exceptional items) for 2001 | 1,120 |
| Exceptional items | (128) |
| Operating profit (including joint ventures) for 2001 | 992 |

Operating costs of production activities, including the share of joint ventures, increased by 12% to US\$4,415 million. Excluding the impact of exchange rates, movements in costs linked to commodity prices, start-up costs and rationalisation costs and acquisitions/disposals, unit operating costs decreased by 2% in real terms reflecting continued benefits from the group-wide drive to improve operating efficiencies and productivity.

The most substantial efficiency savings were made in the coal business following restructuring last year with notable contributions from the aluminium, nickel and manganese businesses.

These efficiency improvements reinforced the benefit of higher base metals prices and production volumes, resulting in an increase in the operating margin of the production activities, including joint ventures, from 17.3% to 17.7%. Prices were however weak in the second half contributing to a decline in the margin from 18.6% (19.0% excluding acquisitions) reported for the first half.

Analysis of operating profit excluding exceptional items by business segment

The analysis of total operating profit, including joint ventures and associates (excluding exceptional items) by business segment, is as follows.

| Excluding exceptional items | 2001 | 2000 |
|-----------------------------|-------|-------|
| | US\$m | US\$m |
| Aluminium | 511 | 431 |
| Base Metals | 66 | 27 |
| Coal | 257 | 52 |
| Nickel | 81 | 140 |
| Steel and ferroalloys | 83 | 148 |

| | | |
|--|-------|------|
| Ferroalloys | 94 | 149 |
| Stainless Steel | (11) | (1) |
| Titanium minerals | 162 | 155 |
| Metals distribution | 23 | - |
| New business and technology | (40) | (52) |
| Central items | (23) | (58) |
| Operating profit (including joint ventures & associates) | 1,120 | 843 |

Aluminium

During the year, aluminium demand declined reflecting the global economic slowdown, but the anticipated price impact was moderated by unforeseen smelter production curtailments in the United States, Canada, Brazil and New Zealand due to constrained availability of competitive power. With the resulting drop in demand (for feedstock) and the commissioning of several refinery expansion projects, the alumina market moved into surplus during the second half of the year, with consequential price weakness.

LME cash prices averaged US\$1,539/t for the financial year, a 1.5% increase on the previous year's level of US\$1,516/t. The average realised metal price (including value-added products) for the year rose by 2% to US\$1,573/t (2000:US\$1,542/t).

Total attributable aluminium production for the year increased by 11.4% to 984 kt (2000: 883kt). Of this, 93 kt was due to additional production as the Mozal smelter built up to full production. The average unit cash cost of aluminium rose 2.7% to US\$1,068/t (excluding the impact of the cost hedge taken out in the 2000 financial year).

Attributable alumina production rose by 56.4% to 2,938 kt from 1,878 kt. Of this amount 720 kt relates to the additional 56% interest in Worsley acquired in January 2001. Alumina cash costs of US\$103/t represent a 8.9% decrease on the previous year.

The increase in Aluminium operating profit includes US\$14 million from the receipt of a break fee on the proposed acquisition of Gove alumina, US\$35 million from the additional 56% of the Worsley Alumina business and US\$25 million from the increased production at Mozal. In addition, pot relining costs at Hillside increased by US\$26 million and last year's result benefited from input cost hedging gains of US\$29 million.

The doubling of capacity at Mozal by a further 253,000 tpa at a construction cost of US\$860m commenced in June with commissioning scheduled for late calendar 2003.

Base metals

The current difficult global business environment has dramatically slowed the consumption of base metals and is putting pressure on inventories and pricing. Much of the pricing impact was felt towards the end of the financial year and has continued subsequently.

The average LME prices of copper and lead increased marginally by approximately 3% while that of zinc declined by 8%. Attributable copper production for the year increased from 13.5 kt to 189.3 kt reflecting the addition of the Rio Algom mines (Cerro Colorado, Alumbrera and Highland Valley) with effect from 1 October 2000. Production of lead declined by 6% and zinc by 2% in line with expectations as the Pering and Selbaie mines approach the end of operation.

The Antamina copper/zinc project reached mechanical completion in May 2001, more than two months ahead of schedule and under budget. It is anticipated that the project will reach its full design capacity of 70,000tpd of ore well in advance of December 2001 and significantly ahead of the original schedule of February 2002.

The acquisition of Rio Algom in October 2000 contributed an additional US\$49 million to the operating profit of Base Metals as well as the US\$23 million operating profit of the metals distribution business.

Coal

The year has been characterised by a much-improved pricing environment. At the end of the financial year, FOB prices for thermal coal were between US\$33 and US\$34 per tonne. This is a significant increase over the previous year when price FOB South Africa fell below US\$20 per tonne at one point.

Production decreased by 2.7 % from 71.4 mt to 69.5 mt due in part to the sale of the Matla and Glisa collieries in South Africa to Eyesizwe Mining and to the cutback in production at Koornfontein as part of last year's restructuring.

The increase in Coal operating profit was largely due to the improved prices for energy coal, cost efficiencies and the positive effect on operating costs of the weakening of the South African and Australian currencies relative to US dollar. Unit operating costs were well contained benefiting substantially from the rationalisation at the Douglas, Koornfontein and Delmas collieries in South Africa last year. The acquisition of interests in the Colombian coal mines Cerrejon Zona Norte SA and Carbones del Cerrejon contributed US\$16 million and 2.8 mt of attributable production.

The Mt. Arthur North coal project was approved in May at an estimated capital cost of US\$411 million. Full production of 12.1 mta of saleable coal is expected in 2006.

Nickel

The stainless steel market, the major driver for nickel demand, declined significantly in the second half of the year, and the availability of nickel-containing stainless steel scrap also put pressure on the nickel price. The LME cash price averaged US\$3.28/lb compared with US\$3.75/lb last year, a decline of 12.5%. Total nickel production increased to 60,725t of contained nickel from 54,100t in the previous year. Of this, approximately 3,000 t is attributable to the expansion at Cerro Matoso which produced its first ferronickel in January 2001, with the remaining increase a consequence of the Yabulu rehabilitation programme which resulted in record output of 28,969 tons, 15% up on last year.

Cash costs of production at Yabulu decreased 12% to US\$2.36/lb due to the improved plant utilisation and cost efficiencies, offset by increased energy costs. A proportion of Yabulu's cash costs represent the cost of purchasing ore, which is linked to the LME nickel price. Cash costs at Cerro Matoso increased 6% to US\$1.47/lb due to costs incurred in ramping up production on line 2 as well as increased energy costs. It is anticipated that cash costs will fall as line 2 production continues to increase over the next year.

The Ravensthorpe /Yabulu feasibility study for the construction of a new mine and pressure acid leach plant and the associated expansion of the Yabulu refinery is ongoing.

Steel and ferroalloys

Chrome prices suffered significantly due to the worsening stainless steel market. Given this weakness in the Ferrochrome market, Samancor Chrome accelerated its programme of furnace upgrades and cut back production over the year. At year end, eight chrome furnaces (representing some 30% of total capacity) were shut down. In addition to assisting to bring alloy stocks back into line with market demand, the furnace closures enabled the business units involved to implement a significant restructuring in order to achieve permanent fixed cost improvements. Charges totalling US\$10 million were recognised in connection with the furnace closures. Given its extremely low-cost production profile, first production from the Wonderkop JV will be brought on stream in the first half of financial year 2002, prior to returning any of the eight furnaces to service.

Chrome alloy production for the year was 908 kt, a reduction of 14% on the previous year and ore production was 3,158 kt, a reduction of 15%. After the price improvements experienced in the first half of the year the decline in prices together with the reduced production led to a decline in turnover of 22%. Overall operating profits declined substantially despite the cost reductions achieved through the closures.

Manganese alloy production for the year was 385 kt, a reduction of 5% on the previous year and ore production was 2,264 kt, an increase of 5%. Increased average prices for the year compensated for the reduced production resulting in turnover virtually the same as in the previous year. Cost efficiencies led to an overall improvement in operating profit of 7%.

Stainless steel demand was low leading to Samancor's share of the loss of the Columbus Joint Venture increasing to US\$11 million from US\$1 million in the previous year.

Titanium minerals

At Richards Bay Minerals overall titanium slag sales volumes declined slightly on the previous year, reflecting a reduction in pigment production as a consequence of slowing economic activity in the USA and in Europe. This, together with marginally higher sales prices, resulted in a 2.5% decline in turnover compared to the previous year. This was more than offset by the benefits of a relatively strong zircon market as well as reduced costs - principally arising from the depreciation of the Rand. This resulted in operating profit being 4.5% ahead of last year.

Metals distribution

Sales of stainless steel and aluminium account for almost 80% of revenues. The markets for both stainless steel and aluminium remained difficult in the North American markets with both volumes and prices under pressure.

Since the acquisition of the metals distribution business (as part of the acquisition of Rio Algom) in October 2000, the business has generated an operating profit of US\$23 million.

New business and technology

Key developments during the year included the acquisitions of Rio Algom and the La Granja copper deposit in Peru to form a sizeable base metals business segment, the formation of a joint venture with Codelco to advance the proprietary BioCOP™ bio-technology and the formation of further strategic alliances and options to participate in promising exploration projects. The latter have continued to be primarily by way of equity participation / option arrangements with junior exploration companies.

New business and technology expenditure fell by US\$3 million to US\$49 million, reflecting a US\$2 million increase in exploration expenditure to US\$28 million, combined with an increase in expenditure on minerals technology, and a decrease in merger and acquisition expenditure. The figure for exploration expenditure written-off includes subscriptions for shares in junior partners of US\$3 million. The market value of the shares in junior partners at 30 June 2001 was US\$5 million (net book value nil).

Central items

The net cost of central items decreased from US\$58 million to US\$31 million. This decrease mainly reflects increased charges to operating units for central services, principally relating to employee share award costs amounting to US\$15 million, which were charged to central items in previous periods but not charged out to divisions until vested.

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Depreciation

The depreciation charge rose from US\$382 million to US\$537 million, due primarily to the inclusion of depreciation in relation to the acquisitions of Rio Algom and the additional 56 % interest in Worsley as well as initial depreciation on the Mozal project and the expansion of Nickel's Colombian operations. The breakdown by business segment (excluding joint ventures and associates) is as follows:

| | 2001 | 2000 |
|-----------------------|-------|-------|
| | US\$m | US\$m |
| Aluminium | 196 | 148 |
| Base Metals | 55 | 9 |
| Coal | 148 | 113 |
| Nickel | 51 | 37 |
| Steel and ferroalloys | 70 | 67 |
| Other | 17 | 8 |
| Depreciation | 537 | 382 |

Depreciation for Coal includes the impairment provision for the Lakes Mines of US\$26 million.

Income from fixed asset investments and net interest

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Income from other fixed asset investments increased from US\$8 million to US\$18 million, including an interim dividend of US\$5 million from the indirect holding in CVRD acquired in July 2000.

Net interest and similar items payable increased from US\$21 million to US\$127 million, as shown below:

| | 2001 | 2000 |
|--|-------|-------|
| | US\$m | US\$m |
| Total interest and preference dividends payable* | (380) | (238) |
| Interest receivable | 86 | 68 |
| Net interest payable before capitalised interest | (294) | (170) |
| Capitalised interest | 24 | 55 |
| Net interest payable | (270) | (115) |
| Exchange differences on net debt | 143 | 94 |
| | (127) | (21) |

*Including share of interest of joint ventures and associates

Net interest payable, before capitalised interest and exchange gains, rose from US\$170 million to US\$294 million, reflecting the increase in average Group net debt relative to the previous year. Completion of the major projects resulted in a decrease in capitalised interest from US\$55 million to US\$24 million. Interest cover (the ratio of EBIT to net interest payable excluding exchange gains) was 3.5 times, compared with 7.4 times for the previous year.

Exchange differences primarily reflect the gain or loss from the period-end translation of the net rand-denominated debt of Group companies, which account in US dollars as their functional currency.

The exchange gain of US\$143 million includes contributions from a number of companies, predominantly Billiton Aluminium South Africa, Ingwe and the South African holding/service company. This exchange gain arises from the movement in the rand/US dollar rate from 6.82 to 8.08 over the period, a reduction of 18 %. For the previous year, there was an exchange gain of US\$94 million due to a 12 % reduction.

The effective average annualised interest rate on Group debt, including exchange gains, fell from 6.3% to 4.6%.

Taxation

The tax charge for the year was US\$284 million. As a percentage of profit before tax and exchange differences this represents an effective tax rate of 41.5%, compared to 30.3% for the previous year. Both these figures reflect certain non-recurring tax adjustments.

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During the year, as part of the Group's normal dividend planning cycle, it was decided that an enhanced dividend should be paid from South Africa. Upon payment the dividend attracted a secondary tax on companies at a rate of 12.5% of the dividend declared. Adjusting for this and a number of smaller one-off items (such as merger costs), the Group's underlying tax rate reduces to 32.1% (33.1% for 2000).

| | |
|---|-------|
| Tax rate for year to 30 June 2001: | % |
| Effective rate excluding non-taxable financing exchange differences | 41.5 |
| Impact of: | |
| Secondary tax on companies in South Africa | (6.7) |
| Other one-off items | (2.7) |
| Underlying tax rate | 32.1 |

Attributable profit and earnings per share

Equity minority interests' share of losses were US\$21 million (excluding exceptional items, share of profits, US\$13 million), compared with their share of profits US\$41 million last year and related largely to Samancor in which Anglo American has a 40% interest.

Attributable profit excluding exceptional items rose by 22% to US\$693 million, from US\$566 million for the previous year. Basic earnings per share excluding exceptional items were 12.5% higher at 30.7 US cents (based on 2,255 million shares outstanding). The shares held under the share repurchase scheme and the Billiton Employee Share Ownership Trust have been excluded from the calculation of earnings per share, and the dividends on these shares are excluded from the profit and loss account.

Attributable profit and basic earnings per share including exceptional items were US\$565 million and 25.1 US cents respectively.

Dividends

The Board declared a second interim dividend (in lieu of a final dividend) of 8 US cents per share, making a total dividend for the year of 12 US cents per share, compared with 11.25 US cents for the previous year.

As the BHP Billiton Plc Group generates cash flows primarily in US dollars, dividends are also declared in US dollars. These are payable in sterling to shareholders on the United Kingdom section of the register, and in South African rand to shareholders on the South African section of the register. The rates of exchange applicable two business days before the declaration date are used for conversation.

Cash flow

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The following table summarises the major elements of the BHP Billiton Plc Group's cash flow:

| | 2001 | 2000 |
|---|---------|-------|
| | US\$m | US\$m |
| EBITDA* before provisions | 1,490 | 1,119 |
| (Increase) in working capital | (112) | (39) |
| (Decrease) in provisions | (9) | (40) |
| Dividends received from joint ventures | 138 | 98 |
| Operating cash flow and dividends from joint ventures | 1,507 | 1,138 |
| Taxation | (263) | (140) |
| Maintenance capital expenditure | (250) | (202) |
| Exploration expenditure | (65) | (45) |
| Disposals of fixed assets | 42 | 34 |
| Net interest payable and investment income | (185) | (133) |
| Dividends paid to ordinary shareholders and minorities | (277) | (235) |
| Free cash flow | 509 | 417 |
| Expansionary capital expenditure: | (1,775) | (671) |
| Additional 56% in Worsley | (1,482) | - |
| Other | (293) | (671) |
| Net acquisitions of businesses and investments | (2,508) | (46) |
| Rio Algom (including debt and cash acquired of \$563 million) | (1,750) | - |
| Indirect interest in CVRD | (332) | - |

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| | | |
|---|---------|---------|
| CDC/CZN | (371) | - |
| Other | (55) | (46) |
| Net cash flow before management of liquid resources and financing | (3,774) | (300) |
| Issue of shares/Share repurchase scheme | 850 | (2) |
| Foreign exchange adjustment | 121 | 84 |
| Other | - | 7 |
| Movement in net debt | (2,803) | (211) |
| Net debt at start of year | (1,183) | (972) |
| Net debt at end of year | (3,986) | (1,183) |

* Earnings before interest, tax, depreciation and amortisation, executive share award costs and loss on sale of fixed assets.

The BHP Billiton Plc Group's acquisitions, expansion project completions and improvement in profitability contributed to a 32% rise in operating cash flow (including dividends from joint ventures) to US\$1,507 million. After taxation, maintenance capital expenditure and exploration, fixed assets disposals, net interest and investment income, and dividends paid, the BHP Billiton Plc Group generated a positive free cash flow of US\$509 million, compared with US\$417 million for the previous year.

Completion of major expansion programmes during the year resulted in a reduction in expansionary capital expenditure, other than the acquisition of the additional 56% interest in Worsley, to US\$293 million. The main contributors were the completion of construction of the Mozal smelter (US\$59 million), the Cerro Matoso expansion (US\$84 million) and the Worsley expansion (US\$24 million). Net acquisitions of businesses and investments, mainly comprising Rio Algom, the strategic participation in Valepar SA which brings an indirect interest of 2% in CVRD and the acquisition of interests in two coal businesses in Colombia (Cerrejón Zona Norte SA and Carbones del Cerrejón) amounted to US\$2,508 million. This expenditure was partially offset by the capital raising of US\$850 million and by exchange adjustments of US\$121 million. Over the year, net debt increased by US\$2,803 million to US\$3,986 million at 30 June 2001.

Balance sheet

Equity shareholders' funds increased from US\$4,759 million at 30 June 2000 to US\$5,900 million at 30 June 2001, a rise of 24%. Of this increase US\$850 million related to the placing of 235 million ordinary shares in September 2000. The placing comprised 181.1 million new shares and all of the 53.9 million shares held under the share repurchase scheme. Net assets per share rose from 230 US cents to 254 US cents over the same period.

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Net debt of US\$3,986 million at 30 June 2001 represents 67.6% of shareholders' funds. This net debt figure comprises US\$687 million of cash, including money market deposits, offset by US\$4,673 million of total debt. The breakdown of net debt by currency is as follows:

| | US\$m |
|--------------------------|-------|
| Net debt denominated in: | |
| US dollars | 3,139 |
| South African rand | 610 |
| Australian dollars | 6 |
| Canadian dollars | 227 |
| Other currencies | 4 |
| Net debt | 3,986 |

Rio Algom

In October 2000, the BHP Billiton Plc Group acquired all the outstanding shares of Rio Algom Limited. The purchase consideration and costs of acquisition amounted to US\$1,187 million, which has provisionally been allocated as follows:

| | US\$m |
|--|-------|
| Book value under Canadian GAAP | 1,117 |
| Adjustment for UK GAAP and Group accounting policies | (348) |
| Other revaluation adjustments | 367 |
| Fair value of net assets acquired | 1,136 |
| Goodwill | 51 |
| | 1,187 |

Working capital

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Net working capital increased by US\$320 million during the year to US\$979 million at 30 June 2001. Of this increase US\$248 million related to acquisitions and other one-off items, with the remainder associated with the ramp-up of new production at Mozal, Worsley and Cerro Matoso.

| | 2001 | 2000 |
|---|-------|-------|
| | US\$m | US\$m |
| Stocks | 896 | 623 |
| Debtors (excluding tax debtor)* | 944 | 757 |
| Creditors (excluding debt, dividends and corporation tax) | (861) | (721) |
| Net working capital | 979 | 659 |

*comparatives restated to exclude long term debtors

Additions to fixed assets

Additions to tangible fixed assets (other than those relating to the acquisition of Rio Algom and the additional 56 % interest in Worsley) in 2001 totalled US\$561 million, as follows:

| | US\$m |
|-------------------------------------|-------|
| Aluminium: Mozal | 59 |
| Worsley expansion | 24 |
| Other | 40 |
| Aluminium total | 123 |
| Coal: Boschmanskrans Pillar project | 11 |
| Mount Arthur North | 17 |
| Other | 101 |
| Coal total | 129 |
| Nickel: Cerro Matoso expansion | 84 |
| QNI Ravensthorpe project | 29 |

| | |
|--|-----|
| Other | 56 |
| Nickel total | 169 |
| Steel and ferroalloys | 70 |
| Exploration | 42 |
| Other | 28 |
| Total additions to tangible fixed assets | 561 |

The acquisition of the additional 56% interest in Worsley included fixed assets of US\$1,512 million.

Capital expenditure is budgeted to be approximately US\$900 million in the current year, which includes the following major elements:

| | US\$m |
|---------------------|-------|
| Mozal 2 | 234 |
| Mount Arthur North | 82 |
| Yabulu/Ravensthorpe | 33 |
| Cerro Colerado | 35 |
| Hillside/Bayside | 56 |
| Chrome | 31 |

Currency

Currency fluctuations affect the profit and loss account in two ways.

Sales are predominantly based on US dollar pricing (the principal exception being Ingwe's sales to South African domestic customers). However, a proportion of operating costs (particularly labour) arise in the local currency of the operations, most significantly the South African rand, but also the Brazilian real, Australian dollar, Chilean peso and Colombian peso. Accordingly, changes in the exchange rates between these currencies and the US dollar can have a significant impact on the Group's reported margin.

Certain subsidiaries maintain their accounting records in local currency, which are then translated into their functional currency (US dollars) for reporting purposes. The temporal method is used to convert their accounts from local currency to US dollars; fixed assets and other non-monetary assets and liabilities are converted at historical rates, and monetary assets and liabilities at the closing rate. The resultant differences are accounted for in the consolidated profit and loss account in accordance with UK GAAP.

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The following exchange rates have been utilised in this report:

| | | | | |
|--------------------|---------|---------|---------|---------|
| | 2001 | 2000 | 30.6.01 | 30.6.00 |
| Versus US dollar | average | average | | |
| South African rand | 7.161 | 6.342 | 8.078 | 6.815 |
| Australian dollar | 1.865 | 1.594 | 1.984 | 1.662 |
| Brazilian real | 2.013 | 1.833 | 2.300 | 1.800 |
| Chilean peso | 576.7 | 522.8 | 631.8 | 539.9 |
| Colombian peso | 2,233 | 1,957 | 2,297 | 2,148 |
| Canadian dollar | 1.520 | 1.475 | 1.524 | 1.481 |

Share price performance

| | London | Johannesburg |
|--------------------------|-------------|--------------|
| | share price | share price |
| | pence | SA rand |
| Closing price at 30.6.01 | 354.25 | 39.00 |
| Closing price at 30.6.00 | 269.00 | 27.40 |
| High during period | 387.50 | 43.50 |
| Low during period | 228.00 | 25.00 |

Share register

The proportion of shares held on the London register continued to rise during the year, from 59% at 30 June 2000 to 72% at 30 June 2001.

BHP BILLITON

PRELIMINARY RESULTS FOR THE YEAR ENDED 30 JUNE 2001

PART E

BHP BILLITON PLC GROUP PRO FORMA RESULTS

Part E2: Financial Information**BHP Billiton Plc Group Pro forma Results**

consolidated profit and loss account

for the year ended 30 June 2001

| | | 2001 | 2001 | 2001 | 2000 |
|--|-------|-------------|-------------|-------------|----------|
| | | Excluding | Including | | |
| | | exceptional | exceptional | exceptional | as |
| | | items | items | items | restated |
| | | | (note 2) | | |
| | Note | US\$m | US\$m | US\$m | US\$m |
| Turnover including share of joint ventures' and associates' turnover: | | | | | |
| Group production | | 5,363 | - | 5,363 | 4,766 |
| Trading and metals distribution | | 1,970 | - | 1,970 | 784 |
| | 1,3 | 7,333 | - | 7,333 | 5,550 |
| Less: share of joint ventures' and associates' turnover included above | 1,3 | (673) | - | (673) | (559) |
| Group turnover | 1,3 | 6,660 | - | 6,660 | 4,991 |
| Turnover from Group production (excluding joint ventures and associates) | | 4,749 | - | 4,749 | 4,241 |
| Continuing operations | | 4,573 | - | 4,573 | 4,241 |
| Acquisitions | | 176 | - | 176 | - |
| Related operating costs | 1,2,3 | (3,864) | (14) | (3,878) | (3,578) |
| Operating profit from Group production | | 885 | (14) | 871 | 663 |
| Operating profit from trading and metals distribution | 1,2,3 | 42 | - | 42 | 18 |

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| | | | | | |
|--|-------|-------|-------|--------|--------|
| | 1,2,3 | | | | |
| Group operating profit | 1,2,3 | 927 | (14) | 913 | 681 |
| Share of operating profit of joint ventures and associates | 1,2,3 | 193 | (114) | 79 | 162 |
| Operating profit including share of profits of joint ventures and associates | 1,2,3 | 1,120 | (128) | 992 | 843 |
| Continuing operations | | 1,032 | (128) | 904 | 843 |
| Acquisitions | | 88 | - | 88 | - |
| Merger transaction costs | | - | (55) | (55) | - |
| Income from other fixed asset investments | | 18 | - | 18 | 8 |
| Net interest and similar items payable - Group | 4 | (117) | (6) | (123) | (11) |
| | 4 | (4) | - | (4) | (10) |
| - Joint ventures and associates | | | | | |
| Profit on ordinary activities before taxation | 1,2,3 | 1,017 | (189) | 828 | 830 |
| Tax on profit on ordinary activities | 5 | (311) | 27 | (284) | (223) |
| Profit on ordinary activities after taxation | | 706 | (162) | 544 | 607 |
| Equity minority interests | | (13) | 34 | 21 | (41) |
| Attributable profit | | 693 | (128) | 565 | 566 |
| Dividends to shareholders | | (278) | - | (278) | (232) |
| Retained profit for the financial year | | 415 | (128) | 287 | 334 |
| Basic earnings per ordinary share | | 30.7c | | 25.1c | 27.3c |
| Diluted earnings per ordinary share | | 30.5c | | 24.9c | 27.3c |
| Dividend per ordinary share | | | | 12.00c | 11.25c |

Attributable profit represents the profit for the financial period.

All amounts are derived from continuing activities.

There is no difference between the historical cost profits and losses and the profits and losses as presented in the profit and loss account above.

BHP Billiton Plc Group Pro forma Results

consolidated statement of total recognised gains and losses
for the year ended 30 June 2001

| | Group | | Joint ventures and associates | | Total | |
|--|---------------|---------------|-------------------------------|---------------|---------------|---------------|
| | 2001 US\$m | 2000 US\$m | 2001 US\$m | 2000 US\$m | 2001 US\$m | 2000 US\$m |
| Attributable profit for the financial period | 483 | 460 | 82 | 106 | 565 | 566 |
| Exchange gains and losses on foreign currency | | | | | | |
| net investments | - | (7) | - | - | - | (7) |
| Total recognised gains for the period | 483 | 453 | 82 | 106 | 565 | 559 |
| Prior year adjustments arising from the implementation of revised accounting policies: | | | | | | |
| - Deferred taxation | (171) | | (29) | | (200) | |
| - Exploration | (15) | | - | | (15) | |
| Total recognised gains since last annual report | 297 | | 53 | | 350 | |

BHP Billiton Plc Group Pro forma Results

consolidated balance sheet

as at 30 June 2001

| | | 2001 | 2000 |
|---|------|---------|----------------------|
| | Note | US\$m | as restated US\$m |
| Fixed assets | | | |
| Intangible assets - goodwill | | 125 | 82 |
| | | (36) | (53) |
| - negative goodwill | | | |
| | | 89 | 29 |
| Tangible assets | | 8,722 | 6,230 |
| Investments - Joint ventures | | 712 | 91 |
| - share of gross assets | | 2,147 | 756 |
| - share of gross liabilities | | (1,435) | (665) |
| - associates | | 58 | - |
| - loans to joint ventures and other investments | | 824 | 334 |
| | | 10,405 | 6,684 |
| Current assets | | | |
| Stocks | | 896 | 623 |
| Debtors | | 1,071 | 855 |
| Investments | | 132 | 109 |
| Cash including money market deposits | 12 | 687 | 806 |
| | | 2,786 | 2,393 |
| Creditors: amounts falling due within one year | | (2,583) | (1,516) |
| Net current assets | | 203 | 877 |

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| | | |
|---|---------|---------|
| Total assets less current liabilities | 10,608 | 7,561 |
| Creditors: amounts falling due after more than one year | (3,486) | (1,643) |
| Provisions for liabilities and charges | (894) | (801) |
| Net assets | 6,228 | 5,117 |
| Equity minority interests | (328) | (358) |
| Attributable net assets | 5,900 | 4,759 |
| Capital and reserves | | |
| Called up share capital | 1,160 | 1,069 |
| Share premium account | 592 | 27 |
| Profit and loss account | 4,148 | 3,781 |
| Interest in shares of BHP Billiton Plc | - | (118) |
| Equity shareholders' funds | 6 5,900 | 4,759 |

BHP Billiton Plc Group Pro forma Results

consolidated statement of cash flows
for the year ended 30 June 2001

| | Note | 2001 US\$m | 2000 as restated US\$m |
|---|------|---------------|------------------------------|
| Net cash inflow from Group operating activities | 7 | 1,369 | 1,040 |
| Dividends received from joint ventures | | 138 | 98 |
| Returns on investments and servicing of finance | 8 | (216) | (145) |
| Taxation | | (263) | (140) |

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| | | | |
|---|----|---------|---------|
| Capital expenditure and financial investment | 9 | (2,400) | (896) |
| Acquisitions and disposals | 10 | (1,491) | (34) |
| Equity dividends paid | | (246) | (223) |
| Net cash flow before management of liquid resources and financing | | (3,109) | (300) |
| Management of liquid resources | | 365 | (232) |
| Financing | 11 | 2,853 | 643 |
| | | 850 | (2) |
| - Issue of shares / Share Repurchase Scheme | | 2,003 | 645 |
| - | | | |
| Debt | | | |
| Increase in cash in the year | 12 | 109 | 111 |
| Reconciliation of net cash flow to movement in net debt | | | |
| Increase in cash in the year | 12 | 109 | 111 |
| Cash flow from debt and lease financing | 11 | (2,003) | (645) |
| Cash flow from management of liquid resources | | (365) | 232 |
| Change in net debt arising from cash flows | | (2,259) | (302) |
| Loans acquired with subsidiaries | 12 | (665) | - |
| Other non-cash movements | 12 | - | 7 |
| Exchange adjustments | 12 | 121 | 84 |
| Movement in net debt | | (2,803) | (211) |
| Net debt at start of year | 12 | (1,183) | (972) |
| Net debt at end of year | 12 | (3,986) | (1,183) |

BHP Billiton Plc Group Pro forma Results

consolidated statement of cash flows

for the year ended 30 June 2001

2001

2000

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| | Note | US\$m | as restated US\$m |
|---|------|---------|----------------------|
| Net cash inflow from Group operating activities | 7 | 1,369 | 1,040 |
| Dividends received from joint ventures | | 138 | 98 |
| Returns on investments and servicing of finance | 8 | (216) | (145) |
| Taxation | | (263) | (140) |
| Capital expenditure and financial investment | 9 | (2,400) | (896) |
| Acquisitions and disposals | 10 | (1,491) | (34) |
| Equity dividends paid | | (246) | (223) |
| Net cash flow before management of liquid resources and financing | | (3,109) | (300) |
| Management of liquid resources | | 365 | (232) |
| Financing | 11 | 2,853 | 643 |
| | | 850 | (2) |
| - Issue of shares / Share Repurchase Scheme | | 2,003 | 645 |
| - Debt | | | |
| Increase in cash in the year | 12 | 109 | 111 |
| Reconciliation of net cash flow to movement in net debt | | | |
| Increase in cash in the year | 12 | 109 | 111 |
| Cash flow from debt and lease financing | 11 | (2,003) | (645) |
| Cash flow from management of liquid resources | | (365) | 232 |
| Change in net debt arising from cash flows | | (2,259) | (302) |
| Loans acquired with subsidiaries | 12 | (665) | - |
| Other non-cash movements | 12 | - | 7 |
| Exchange adjustments | 12 | 121 | 84 |
| Movement in net debt | | (2,803) | (211) |
| Net debt at start of year | 12 | (1,183) | (972) |
| Net debt at end of year | 12 | (3,986) | (1,183) |

BHP Billiton Plc Group Pro forma Results

notes to the financial information

1 Segmental
analysis by
business

| | Group | | Joint ventures and associates | | Total | |
|--------------------------|-------|-------|----------------------------------|-------|-------|-------|
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| | US\$m | US\$m | US\$m | US\$m | US\$m | US\$m |
| Aluminium | 2,939 | 2,323 | 32 | 34 | 2,971 | 2,357 |
| Base metals | 273 | 197 | 90 | 6 | 363 | 203 |
| Coal | 1,268 | 1,012 | 83 | - | 1,351 | 1,012 |
| Nickel | 457 | 497 | - | - | 457 | 497 |
| Steel and ferroalloys | 926 | 962 | 199 | 243 | 1,125 | 1,205 |
| Ferroalloys | 926 | 962 | 43 | 64 | 969 | 1,026 |
| Stainless steel | - | - | 156 | 179 | 156 | 179 |
| Titanium minerals | - | - | 269 | 276 | 269 | 276 |
| Metals distribution | 797 | - | - | - | 797 | - |
| | 6,660 | 4,991 | 673 | 559 | 7,333 | 5,550 |

Turnover from acquisitions included above:

| | | | |
|------------------------|-----|----|-----|
| Base metals | 176 | 90 | 266 |
| Coal | - | 83 | 83 |
| Metals distribution | 797 | - | 797 |

Turnover attributable to associates of US\$44 million (2000: nil) is included in Base metals.

Profit on ordinary activities before taxation by business segment is as follows:

| | Group | | Joint ventures and associates | | Total | |
|--|-------|------|----------------------------------|------|-------|------|
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |

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| | as restated | | as restated | | | as restated |
|--|-------------|-------|-------------|-------|-------|-------------|
| | US\$m | US\$m | US\$m | US\$m | US\$m | US\$m |
| Aluminium | 563 | 430 | 1 | 1 | 564 | 431 |
| Base metals | 36 | 27 | 25 | - | 61 | 27 |
| Coal | 207 | 52 | 16 | - | 223 | 52 |
| Nickel | 76 | 140 | - | - | 76 | 140 |
| Steel and ferroalloys | 88 | 142 | (125) | 6 | (37) | 148 |
| Ferroalloys | 88 | 142 | - | 7 | 88 | 149 |
| Stainless steel | - | - | (125) | (1) | (125) | (1) |
| Titanium minerals | - | - | 162 | 155 | 162 | 155 |
| Metals distribution | 23 | - | - | - | 23 | - |
| New business and technology | (49) | (52) | - | - | (49) | (52) |
| Central items | (31) | (58) | - | - | (31) | (58) |
| Operating profit | 913 | 681 | 79 | 162 | 992 | 843 |
| Merger transaction costs | (55) | - | - | - | (55) | - |
| Income from fixed asset investments | 18 | 8 | - | - | 18 | 8 |
| Net interest | (123) | (11) | (4) | (10) | (127) | (21) |
| Profit before taxation | 753 | 678 | 75 | 152 | 828 | 830 |
| Operating profit from acquisitions included above: | | | | | | |
| Base metals | 24 | | 25 | | 49 | |
| Coal | - | | 16 | | 16 | |
| Metals distribution | 23 | | - | | 23 | |

Operating profit attributable to associates of US\$22 million (2000: US\$ nil) is included in Base metals.

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Included above are exceptional items totaling US\$189 million (2000: US\$ nil) which are described in note 2.

BHP Billiton Plc Group Pro forma Results

notes to the financial information (continued)

1 Segmental analysis by business

(continued)

Turnover of Group production by business segment is as follows:

| | Group | | Joint ventures and associates | | Total | |
|-----------------------|-------|-------|-------------------------------|-------|-------|-------|
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| | US\$m | US\$m | US\$m | US\$m | US\$m | US\$m |
| Aluminium | 1,957 | 1,664 | - | 6 | 1,957 | 1,670 |
| Base metals | 260 | 106 | 90 | - | 350 | 106 |
| Coal | 1,168 | 1,012 | 83 | - | 1,251 | 1,012 |
| Nickel | 457 | 497 | - | - | 457 | 497 |
| Steel and ferroalloys | 907 | 962 | 172 | 243 | 1,079 | 1,205 |
| Ferroalloys | 907 | 962 | 16 | 64 | 923 | 1,026 |
| Stainless steel | - | - | 156 | 179 | 156 | 179 |
| Titanium minerals | - | - | 269 | 276 | 269 | 276 |
| | 4,749 | 4,241 | 614 | 525 | 5,363 | 4,766 |

Turnover from acquisitions included above:

| | | | |
|-------------|-----|----|-----|
| Base metals | 176 | 90 | 266 |
| Coal | - | 83 | 83 |

Turnover attributable to associates of US\$44 million (2000: US\$ nil) is included in Base metals.

Operating profit from Group production by business segment is as follows:

| | Group | | Joint ventures and associates | | Total | |
|--|-------|-------------|-------------------------------|-------------|-------|-------------|
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| | | as restated | | as restated | | as restated |
| | | | | | | |

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| | US\$m | US\$m | US\$m | US\$m | US\$m | US\$m |
|--|-------|-------|-------|-------|-------|-------|
| Aluminium | 550 | 409 | - | 1 | 550 | 410 |
| Base metals | 36 | 30 | 25 | - | 61 | 30 |
| Coal | 201 | 52 | 16 | - | 217 | 52 |
| Nickel | 76 | 140 | - | - | 76 | 140 |
| Steel and ferroalloys | 88 | 142 | (126) | 6 | (38) | 148 |
| Ferroalloys | 88 | 142 | (1) | 7 | 87 | 149 |
| Stainless steel | - | - | (125) | (1) | (125) | (1) |
| Titanium minerals | - | - | 162 | 155 | 162 | 155 |
| New business and technology | (49) | (52) | - | - | (49) | (52) |
| Central items | (31) | (58) | - | - | (31) | (58) |
| | 871 | 663 | 77 | 162 | 948 | 825 |
| Operating profit from acquisitions included above: | | | | | | |
| Base metals | 24 | | 25 | | 49 | |
| Coal | - | | 16 | | 16 | |

Operating profit attributable to associates of US\$22 million (2000: US\$ nil) is included in Base metals.

Included above are exceptional items totalling US\$14 million (2000 US\$ nil) which are described in note 2.

Net operating assets analysed by business segment are as follows:

| | Group | | Joint ventures and associates | |
|-------------|-------|-------------|-------------------------------|-------------|
| | 2001 | 2000 | 2001 | 2000 |
| | | as restated | | as restated |
| | US\$m | US\$m | US\$m | US\$m |
| Aluminium | 4,691 | 3,182 | 4 | 4 |
| Base metals | 828 | (14) | 1,112 | - |
| Coal | 1,223 | 1,267 | 393 | - |

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| | | | | |
|-----------------------|-------|-------|-------|-----|
| Nickel | 1,300 | 1,184 | - | - |
| Steel and ferroalloys | 921 | 945 | 161 | 315 |
| Ferroalloys | 921 | 945 | 23 | 55 |
| Stainless steel | - | - | 138 | 260 |
| Titanium minerals | - | - | 296 | 309 |
| Metals distribution | 317 | - | - | - |
| Central items | 17 | (23) | - | - |
| Net operating assets | 9,297 | 6,541 | 1,966 | 628 |

The increase in net operating assets attributable to acquisitions is as follows:

| | | |
|---------------------|-----|-------|
| Base metals | 824 | 1,111 |
| Coal | - | 393 |
| Metals distribution | 317 | - |

Net operating assets attributable to associates of US\$273 million (2000: US\$ nil) is included in Base metals

The basis of calculating net operating assets has been changed to additionally exclude corporate tax balances, dividends payable, investment in own shares, other fixed asset investments and current asset investments. Previously only interest bearing assets and liabilities were excluded. The comparative figures have been restated accordingly.

BHP Billiton Plc Group Pro forma Results

notes to the financial information (continued)

2 Exceptional items

| | Gross 2001 US\$m | Tax 2001 US\$m | Net 2001 US\$m |
|---|------------------------|----------------------|----------------------|
| Write down in carrying value of assets | | | |
| Coal: Lake mines assets | (26) | 6 | (20) |
| Stainless steel: Columbus joint venture assets | (114) | 30 | (84) |
| less: attributable to minority interests (Columbus) | | | 34 |

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| | | | |
|--|-------|------|-------|
| | (140) | 36 | (70) |
| Sale of expansion rights | | | |
| Aluminium: Mozal II | 61 | (21) | 40 |
| | 61 | (21) | 40 |
| Merger transaction costs: | | | |
| Central items | (55) | - | (55) |
| | (55) | - | (55) |
| Merger related restructuring costs and provisions: | | | |
| Base Metals | (4) | 1 | (3) |
| New business and technology | (3) | - | (3) |
| Central items: office closures | (5) | 1 | (4) |
| Central items: early amortisation of fees on redundant financing facility | (6) | - | (6) |
| | (18) | 2 | (16) |
| Executive share awards accelerated by the merger | | | |
| Aluminium | (8) | 2 | (6) |
| Base Metals | (1) | - | (1) |
| Coal | (8) | 2 | (6) |
| Nickel | (5) | 1 | (4) |
| Steel and ferroalloys | (6) | 2 | (4) |
| Ferroalloys | (6) | 2 | (4) |
| New business and technology | (6) | 2 | (4) |
| Central items | (3) | 1 | (2) |
| | (37) | 10 | (27) |
| Total | (189) | 27 | (128) |
| | Gross | | |
| | 2001 | | |

| | |
|-----------------------------|-------|
| By business | US\$m |
| Aluminium | 53 |
| Base Metals | (5) |
| Coal | (34) |
| Nickel | (5) |
| Steel and ferroalloys | (120) |
| Ferroalloys | (6) |
| Stainless Steel | (114) |
| New business and technology | (9) |
| Central items | (63) |
| | (183) |
| Interest | (6) |
| Total | (189) |

BHP Billiton Plc Group Pro forma Results

notes to the financial information (continued)

3 Geographical analysis

| Turnover by geographical market is as follows: | Group | | Joint ventures and associates | | Total | |
|--|---------------|---------------|-------------------------------|---------------|---------------|---------------|
| | 2001 US\$m | 2000 US\$m | 2001 US\$m | 2000 US\$m | 2001 US\$m | 2000 US\$m |
| Southern Africa | 749 | 721 | 60 | 87 | 809 | 808 |
| Europe | 2,723 | 2,007 | 213 | 133 | 2,936 | 2,140 |
| Latin America | 148 | 114 | 31 | 25 | 179 | 139 |
| Australia | 313 | 286 | 2 | 3 | 315 | 289 |
| Japan | 443 | 452 | 54 | 42 | 497 | 494 |
| South Korea | 242 | 249 | 26 | 12 | 268 | 261 |
| South East Asia | 381 | 428 | 65 | 44 | 446 | 472 |

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| | | | | | | |
|---------------|-------|-------|-----|-----|-------|-------|
| North America | 1,443 | 656 | 211 | 213 | 1,654 | 869 |
| Rest of World | 218 | 78 | 11 | - | 229 | 78 |
| | 6,660 | 4,991 | 673 | 559 | 7,333 | 5,550 |

| Turnover by geographical origin is as follows: | Group | | Joint ventures and associates | | Total | |
|--|-------|-------|-------------------------------|-------|-------|-------|
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| | US\$m | US\$m | US\$m | US\$m | US\$m | US\$m |
| Southern Africa | 2,666 | 2,794 | 441 | 525 | 3,107 | 3,319 |
| Europe | 1,399 | 706 | - | - | 1,399 | 706 |
| Latin America | 890 | 723 | 127 | - | 1,017 | 723 |
| Australia | 838 | 689 | - | - | 838 | 689 |
| North America | 867 | 79 | 105 | 34 | 972 | 113 |
| | 6,660 | 4,991 | 673 | 559 | 7,333 | 5,550 |

Profit on ordinary activities before taxation, analysed by geographical origin, is as follows:

| | Group | | Joint ventures and associates | | Total | |
|-----------------|-------|-------|-------------------------------|-------|-------|-------|
| | 2001 | 2000 | 2001 | 2000 | 2001 | 2000 |
| | US\$m | US\$m | US\$m | US\$m | US\$m | US\$m |
| Southern Africa | 460 | 322 | 38 | 161 | 498 | 483 |
| Europe | 107 | 51 | - | 1 | 107 | 52 |
| Latin America | 218 | 239 | 38 | - | 256 | 239 |
| Australia | 132 | 64 | - | - | 132 | 64 |
| North America | 18 | 22 | 3 | - | 21 | 22 |
| | (22) | (17) | - | - | (22) | (17) |

| | | | | | | |
|---|-------|------|-----|------|-------|------|
| Rest of World | | | | | | |
| Operating profit | 913 | 681 | 79 | 162 | 992 | 843 |
| Merger costs | (55) | - | - | - | (55) | - |
| Income from other fixed asset investments | 18 | 8 | - | - | 18 | 8 |
| Net interest | (123) | (11) | (4) | (10) | (127) | (21) |
| Profit before taxation | 753 | 678 | 75 | 152 | 828 | 830 |

The geographical origin of net operating assets is as follows:

| | Group | | Joint ventures and associates | |
|----------------------|-------|---------------------|-------------------------------|---------------------|
| | 2001 | 2000 as restated | 2001 | 2000 as restated |
| | US\$m | US\$m | US\$m | US\$m |
| Southern Africa | 3,659 | 3,702 | 457 | 624 |
| Europe | 110 | 16 | - | - |
| Latin America | 2,104 | 1,171 | 1,373 | - |
| Australia | 3,149 | 1,683 | - | - |
| North America | 264 | (18) | 136 | 4 |
| Rest of World | 11 | (13) | - | - |
| Net operating assets | 9,297 | 6,541 | 1,966 | 628 |

BHP Billiton Plc Group Pro forma Results

notes to the financial information (continued)

| | | |
|---|------|------|
| | 2001 | 2000 |
| 4 Net interest and similar items (payable)/receivable | | |

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| | US\$m | US\$m |
|---|-------|-------|
| On bank loans and overdrafts | (207) | (132) |
| On all other loans | (101) | (49) |
| Finance lease and hire purchase interest | (6) | (6) |
| | (314) | (187) |
| Dividends on subsidiary company preference shares | (20) | (13) |
| Discounting on provisions | (11) | (12) |
| | (345) | (212) |
| Less amounts capitalised | 24 | 55 |
| | (321) | (157) |
| Share of interest of joint ventures | (28) | (26) |
| Share of interest of associates | (7) | - |
| | (356) | (183) |
| Other interest receivable | 86 | 68 |
| Exchange Group differences on net debt | 112 | 78 |
| -Joint ventures | 31 | 16 |
| Net interest and similar items payable | (127) | (21) |

Net exchange gains primarily represent the effect on rand denominated borrowings of the depreciation of the rand against the US dollar.

BHP Billiton Plc Group Pro forma Results

notes to the financial information (continued)

| 5. Tax on profit on ordinary activities | 2001 | 2000 as restated |
|--|-------|---------------------|
| | US\$m | US\$m |
| UK corporation tax at 30% (2000: 30%) | 134 | 105 |
| Less double taxation relief | (127) | (100) |
| South African income tax | | |
| Current | 114 | 81 |
| Deferred | (44) | (25) |
| Other overseas taxation | | |
| Current | 155 | 112 |
| Deferred | (20) | (23) |
| Withholding taxes and secondary tax on companies | 46 | 24 |
| Share of joint ventures' tax charge | 23 | 48 |
| Share of associate's tax charge | 3 | - |
| Other | - | 1 |
| | 284 | 223 |

BHP Billiton Plc Group Pro forma Results

notes to the financial information (continued)

| | 2001 | 2000 as restated |
|--|-------|---------------------|
| 6 Reconciliation of movements in shareholders' funds | US\$m | US\$m |
| Profit for the financial period | 565 | 566 |
| Other recognised gains and losses | - | (7) |
| Total recognised gains | 565 | 559 |
| | | 122 |

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| | | |
|---|-------|-------|
| Dividends | (278) | (232) |
| Issue of ordinary shares for cash | 656 | - |
| Share repurchase scheme | 194 | (2) |
| Transfer to profit and loss account for year (goodwill) | 4 | - |
| Net movement in shareholders' funds | 1,141 | 325 |
| Shareholders' funds at start of period as restated | 4,759 | 4,434 |
| Shareholders' funds at end of period | 5,900 | 4,759 |

BHP Billiton Plc Group Pro forma Results

notes to the financial information (continued)

| | 2001 | 2000 |
|---|-------|-------------|
| | | as restated |
| | US\$m | US\$m |
| 7 Reconciliation of operating profit to net cash inflow from operating activities | | |
| Operating profit | 913 | 681 |
| Merger transaction costs | (55) | - |
| Depreciation and amortisation | 542 | 385 |
| Exploration charge | 23 | 41 |
| Executive share award costs | 46 | 10 |
| Loss on sale of fixed assets | 21 | 2 |
| (Increase) in stocks | (5) | (13) |
| (Increase)/decrease in debtors | (39) | 48 |

| | | |
|--|-------|-------|
| (Decrease) in creditors | (68) | (74) |
| (Decrease) in provisions | (9) | (40) |
| Net cashflow from Group operating activities | 1,369 | 1,040 |

Merger transaction costs paid in the year ended 30 June 2001 amounted to US\$24 million.

BHP Billiton Plc Group Pro forma Results
notes to the financial information (continued)

| 8 Returns on investments and servicing of finance | 2001 | 2000 |
|---|-------|-------|
| | US\$m | US\$m |
| Interest paid | (269) | (192) |
| Dividends paid on subsidiary company preference shares | (20) | (11) |
| Interest received | 79 | 60 |
| Other dividends received | 25 | 10 |
| Dividends paid to minorities | (31) | (12) |
| Net cashflow from returns on investments and servicing of finance | (216) | (145) |

BHP Billiton Plc Group Pro forma Results

notes to the financial information (continued)

| 9 Capital expenditure and financial investment | 2001 | 2000 |
|--|---------|-------|
| | US\$m | US\$m |
| Purchases of tangible fixed assets | (2,025) | (873) |
| Exploration expenditure | (65) | (45) |
| Disposals of tangible fixed assets | 42 | 34 |
| Purchase of investments | (374) | (42) |
| Sale of investments | 22 | 30 |

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Cashflow for capital expenditure and financial investment (2,400) (896)

Included within purchases of tangible fixed assets is US\$1,482 million relating to the purchase of the additional 56 per cent

interest in Worsley alumina refinery and bauxite mine.

BHP Billiton Plc Group Pro forma Results

notes to the financial information (continued)

| 10 Acquisitions and disposals | 2001 US\$m | 2000 US\$m |
|--|---------------|---------------|
| Investment in subsidiaries | (1,187) | (8) |
| Sale of subsidiaries | 4 | - |
| Cash/(overdraft)acquired with subsidiary | 102 | - |
| Cash transferred on disposal | (4) | - |
| Investment in joint ventures | (418) | (34) |
| Disposal of joint venture | 12 | 8 |
| Net cashflow from acquisitions and disposals | (1,491) | (34) |

BHP Billiton Plc Group Pro forma Results

notes to the financial information (continued)

| 11 Financing | 2001 US\$m | 2000 US\$m |
|---|---------------|---------------|
| Debt due within one year - repayment of loans | (424) | (218) |
| Debt due within | 763 | 275 |

| | | |
|---|-------|------|
| one year - drawdowns | | |
| Debt due after one year - repayment of loans | (378) | (38) |
| Debt due after one year - drawdowns | 2,047 | 619 |
| Capital element of finance lease payments | (5) | (9) |
| Subsidiary company preference shares | - | 16 |
| Net cash inflow from debt | 2,003 | 645 |
| Share repurchase scheme | 194 | (2) |
| Issue of shares | 656 | - |
| Net cashflow from financing | 2,853 | 643 |

BHP Billiton Plc Group Pro forma Results

notes to the financial information (continued)

| 12 Analysis of net debt | At 30 | Acquisitions | Cash flow | Other | | At 30 |
|---|---------|--------------|-----------|-----------|-----------|---------|
| | June | & | | non-cash | Exchange | June |
| | 2000 | disposals | | movements | movements | 2001 |
| | US\$m | US\$m | US\$m | US\$m | US\$m | US\$m |
| Cash at bank and in hand | 297 | 127 | 136 | - | (17) | 543 |
| Overdrafts | (96) | (29) | (125) | - | - | (250) |
| | 201 | 98 | 11 | - | (17) | 293 |
| Subsidiary company preference shares | (102) | (150) | - | - | 16 | (236) |
| Finance lease obligations | (38) | - | 5 | - | 6 | (27) |
| Other debt due within one year | (363) | (365) | (339) | (28) | 40 | (1,055) |
| Other debt due after one year | (1,390) | (150) | (1,669) | 28 | 76 | (3,105) |
| | (1,893) | (665) | (2,003) | - | 138 | (4,423) |
| Money market deposits | 509 | - | (365) | - | - | 144 |
| Total | (1,183) | (567) | (2,357) | - | 121 | (3,986) |
| The balance sheet movement in cash including money market deposits is as follows: | | | | | | |
| Cash at bank and in hand | 297 | 127 | 136 | - | (17) | 543 |
| Money market deposits | 509 | - | (365) | - | - | 144 |
| | 806 | 127 | (229) | - | (17) | 687 |