

FIRST QUARTER RESULTS

29 October 2003

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Chief Financial Officer



Highlights – quarter ended 30 September 2003

- **EBITDA up 10%** to US\$1,397 million and **EBIT up 11%** to US\$935 million.
- **Attributable profit of US\$518 million** and earnings per share of 8.3 US cents.
- **Record quarterly production and shipments** for Western Australian iron ore operations.
- **Record quarterly aluminium production** following early commissioning of the Mozal 2 expansion in Mozambique.
- **First metal produced** at Hillside aluminium smelter in South Africa.
- **First gas** production from Ohanet wet gas development in Algeria.
- **Dividend** declared of 8 US cents per share, up 14%.

Results highlights – quarter ended 30 September

(US\$M)	2003	2002	% Change
Turnover ⁽¹⁾	4,826	3,922	+23.0
EBITDA ⁽²⁾⁽³⁾	1,397	1,272	+9.8
EBIT ⁽²⁾	935	844	+10.8
Attributable profit ⁽²⁾	518	572	-9.4
Exceptional items	-	(19)	
Attrib profit (incl exceptionals)	518	553	-6.3
EPS (US cents) ⁽²⁾	8.3	9.2	-9.8
EBITDA interest cover (times) ⁽²⁾	12.8	12.6	+1.6
Dividends per share (US cents)	8.0	7.0	+14.3

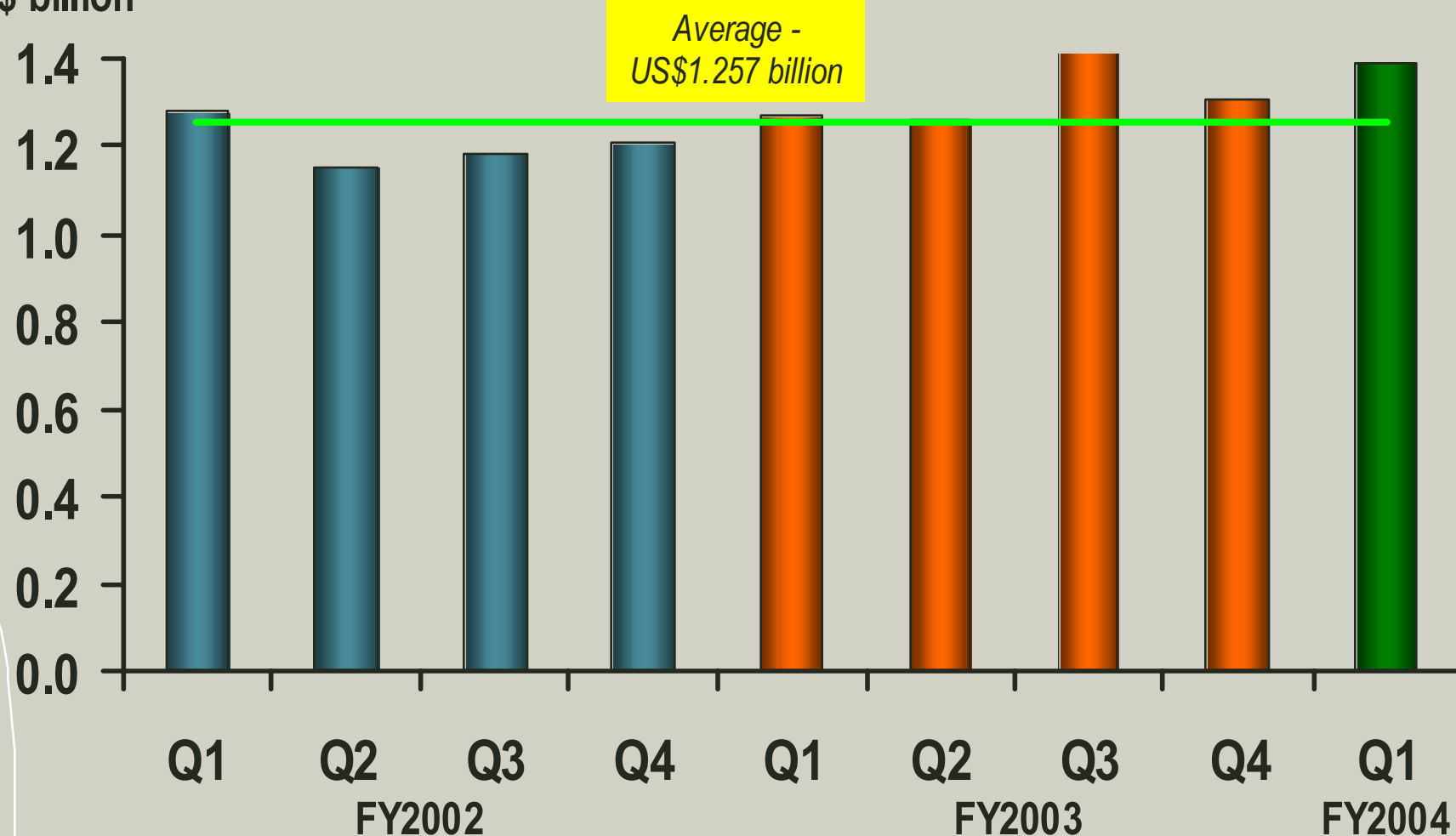
(1) Including share of joint ventures and associates.

(2) Excluding exceptional items.

(3) Refer slide 16 for further information.

Stable quarterly EBITDA⁽¹⁾

US\$ billion



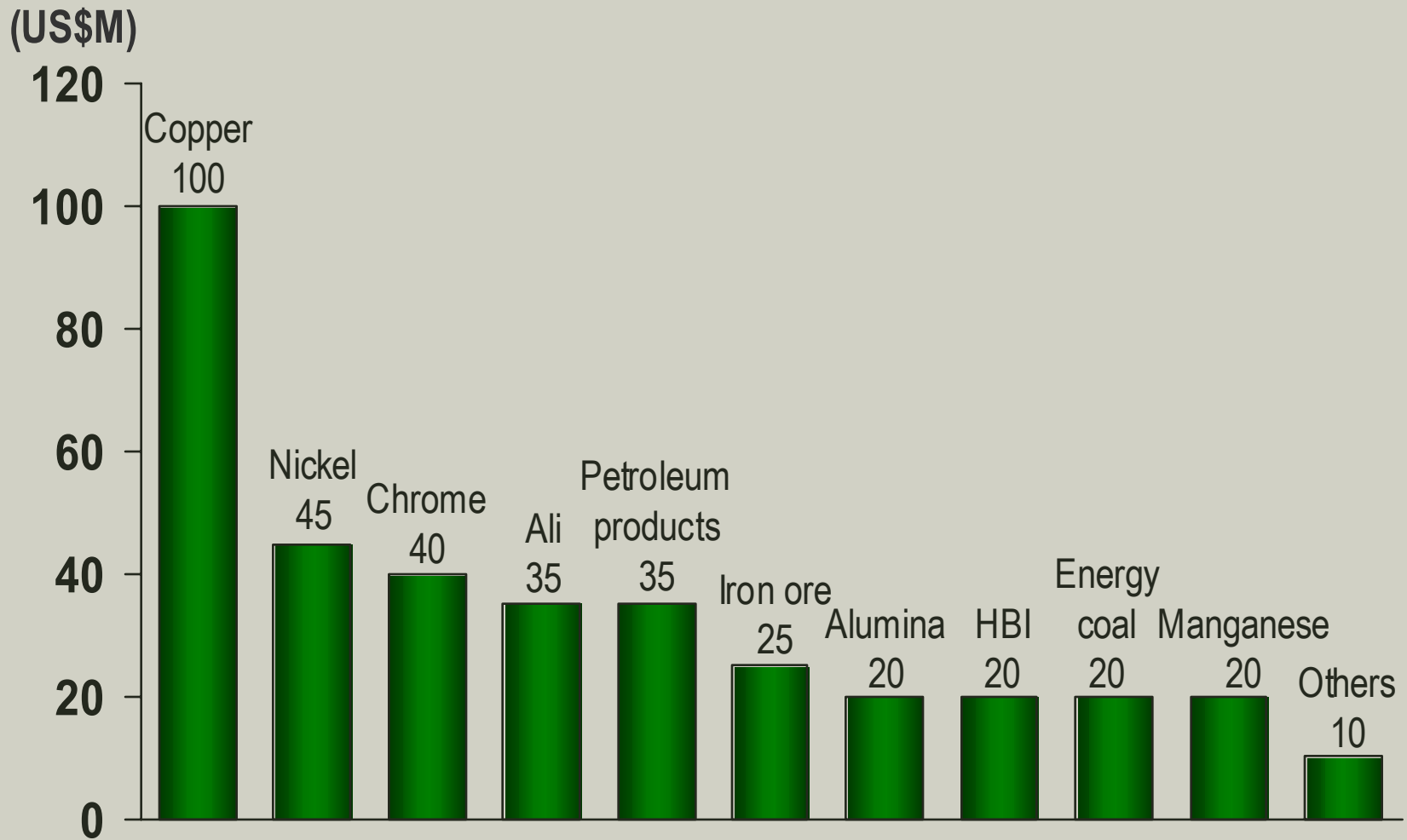
EBIT by Customer Sector Group

Quarter ended 30 September

(US\$M)	2003	2002	% Change
Petroleum	291	384	-24
Aluminium	150	135	+11
Base Metals	95	16	+494
Carbon Steel Materials	275	267	+3
Diamonds & Spec Products	65	81	-20
Energy Coal	41	68	-40
Stainless Steel Materials	61	23	+165
Exploration & Technology	(4)	(11)	+64
Group & unallocated items	(39)	(119)	+67
BHP Billiton	935	844	+11

Impact of major commodity price changes on EBIT

Quarter ended 30 Sep 03 v quarter ended 30 Sep 02



Excludes impact of price linked costs, US\$15 million unfavourable

Net interest, taxation & attributable profit Excluding exceptionals

Quarter ended 30 September (US\$M)	2003	2002
EBIT	935	844
Net interest expense	(109)	(101)
Exchange impact on debt	(28)	31
Discounting of provisions/Capitalised interest	14	3
Profit before tax	812	777
Tax expense	(238)	(258)
Exchange impact on tax expense	(47)	65
Minorities	(9)	(12)
Attributable profit	518	572

Impact of restatements of net monetary liabilities - Quarter ended September

(US\$m)	2003	Impact of Restatement	2002	Impact of Restatement
EBIT	935	(20)	844	40
Net interest	(123)	(28)	(67)	31
Taxation expense	(285)	(40)	(193)	55
Attributable profit	518	(88)	572	126

US\$606m

US\$446m

Exchange rates
Versus US dollar
South African rand
Australian dollar

As at
30 September 2003
 ↑ 5% 7.12
 ↑ 2% 0.680

US\$160m
 ↑ 36%

As at
30 September 2002
 ↓ 2% 10.50
 ↓ 4% 0.544

Summary and outlook

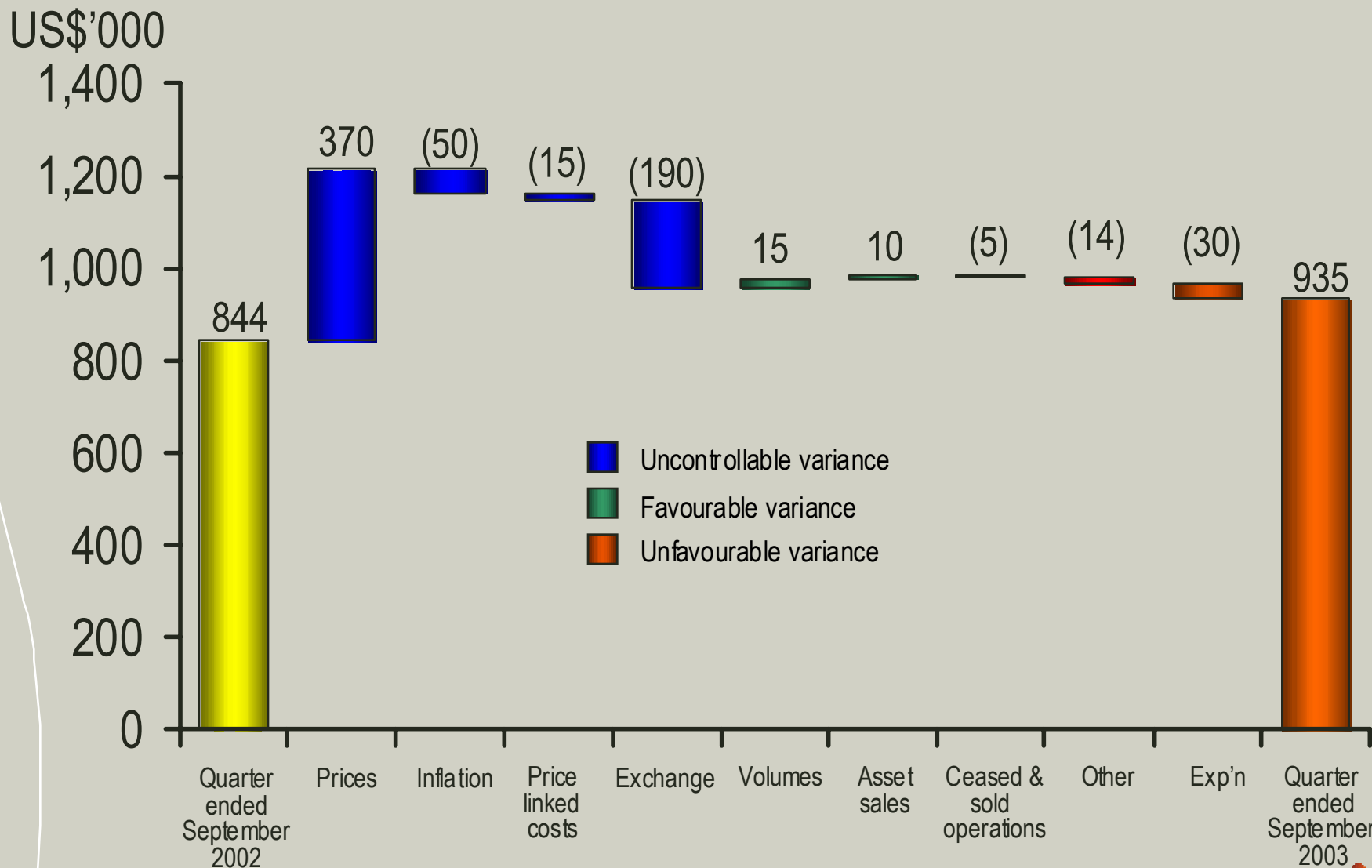
- Solid quarterly results – stability and cash generating capability
- Dividends up 14%
- Demand and economic activity in Asia, including China, has remained strong
- Exposure to the stronger Asian economies
- Strong cash flow leaves us well placed to respond to new opportunities



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EBIT analysis

Quarter ended 30 Sep 03 v quarter ended 30 Sep 02



USD functional currency policy - general level of exposure

(US\$M)	AUD	Rand	Impact
Net payables, receivables & employee provisions	(400)	(100)	EBIT
Resource Rent Tax provision	(300)	-	EBIT
Tax provisions	(600)	(400)	Tax
Debt	-	(750)	Interest
Total	<u>(1,300)</u>	<u>(1,250)</u>	P&L
Restoration & Rehab	(900)	(300)	Bal sheet

Key net profit sensitivities

Approximate impact on FY04 net profit after tax
of changes of:

(US\$M)

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

Key net profit sensitivities

Approximate impact on FY04 net profit after tax
of changes of:

(US\$M)

Australian dollar (USc1/A\$)

Operations (net of hedging) ⁽¹⁾	30
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Net monetary liabilities ⁽²⁾	20
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South African Rand (0.2 Rand/US\$)

Operations ⁽¹⁾	20
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Net monetary liabilities ⁽²⁾	15
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Rand debt ⁽²⁾	20
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(1) Impact based on average exchange rate for the period

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

Results under Australian GAAP

Quarter ended 30 September

(US\$M)	2003	2002
Sales revenue	4,340	3,457
Profit before tax	783	725
Profit after tax attributable to members	507	542
EPS (US cents)	8.2	8.7

Non GAAP measures used within this presentation

EBITDA

EBITDA is earnings before interest and tax, before depreciation and amortisation of Group companies, as detailed below. We believe that EBITDA provides useful information, but should not be considered an indication of or alternate to net profit as an indicator of operating performance or as an alternative to cashflow as a measure of liquidity.

US\$ million	FY2003	FY2004
	Q1	Q1
EBIT	844	935
Depreciation & Amortisation	428	462
EBITDA	1,272	1,397

Earnings excluding restatement of debt and net monetary liabilities

Slide 7 refers to net profit after tax, excluding exceptional items and restatement of net monetary liabilities, as detailed below. We believe that this provides useful information but should not be considered an indication of or alternate to net profit as an indicator of operating performance.

US\$ million	FY2003	FY2004
	Q1	Q1
Net Profit after Tax	572	518
Restatement of debt and net monetary liabilities	126	(88)
Net Profit after Tax excluding restatements	446	606



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