INTERIM RESULTS

24 February 2003

Chip Goodyear Chief Executive Officer

Chris Lynch Chief Financial Officer

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Highlights – half year ended 31 December 2002

- Strong performance from diversified asset base in challenging market conditions
- EBITDA solid at US$2,451 million
- EBIT of US$1,659 million, attributable profit of US$931 million and earnings per share of US15.0 cents before exceptional items
- Merger benefits target exceeded 6 months ahead of schedule
- Additional cost savings of US$70 million delivered since the merger
- Commissioned Escondida Phase IV, San Juan underground and Bream gas pipeline
- Improving HSEC results
- First half dividend paid of US 7 cents per share, up 7.7 per cent

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Board & Management appointments

- John Buchanan – senior independent non-executive director
- Mike Salamon – executive director
- David Munro – chief development officer & executive committee
- Chris Pointon - executive committee
- Marcus Randolph - executive committee

INTERIM RESULTS

Chris Lynch Chief Financial Officer

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Results highlights – half year ended 31 December

(US$M)	2002	2001	% Change
Turnover[(1)]	8,048	7,649	+5.2
EBITDA[(1)(2)]	2,451	2,395	+2.3
EBIT[(1)(2)]	1,659	1,596	+3.9
Attrib profit (excl exceptionals)[(1)]	931	1,155	-19.4
Exceptional items	(19)	-	
Attrib profit (incl exceptionals)	912	1,155	-21.0
Available cash flow [(1)]	1,259	1,362	-7.6
EPS (US cents)[(1)(2)]	15.0	19.2	-21.9
EBITDA interest cover (times)[(1)(2)]	12.3	9.1	+35.2

(1) From continuing operations and including share of joint ventures and associates
(2) Excluding exceptional items

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EBIT by Customer Sector Group
Half year ended 31 December

(US$M)	2002	2001	% Change
Petroleum	660	576	+15
Aluminium	266	191	+39
Base Metals	83	69	+20
Carbon Steel Materials	506	565	-10
Diamonds & Spec Products	173	168	+3
Energy Coal	124	350	-65
Stainless Steel Materials	61	(36)	
Exploration & Technology	(23)	(30)	+23
Group & unallocated items	(191)	(257)	+26
BHP Billiton (continuing)	1,659	1,596	+4
Steel (demerged July 2002)	-	55	
BHP Billiton (total)	1,659	1,651	

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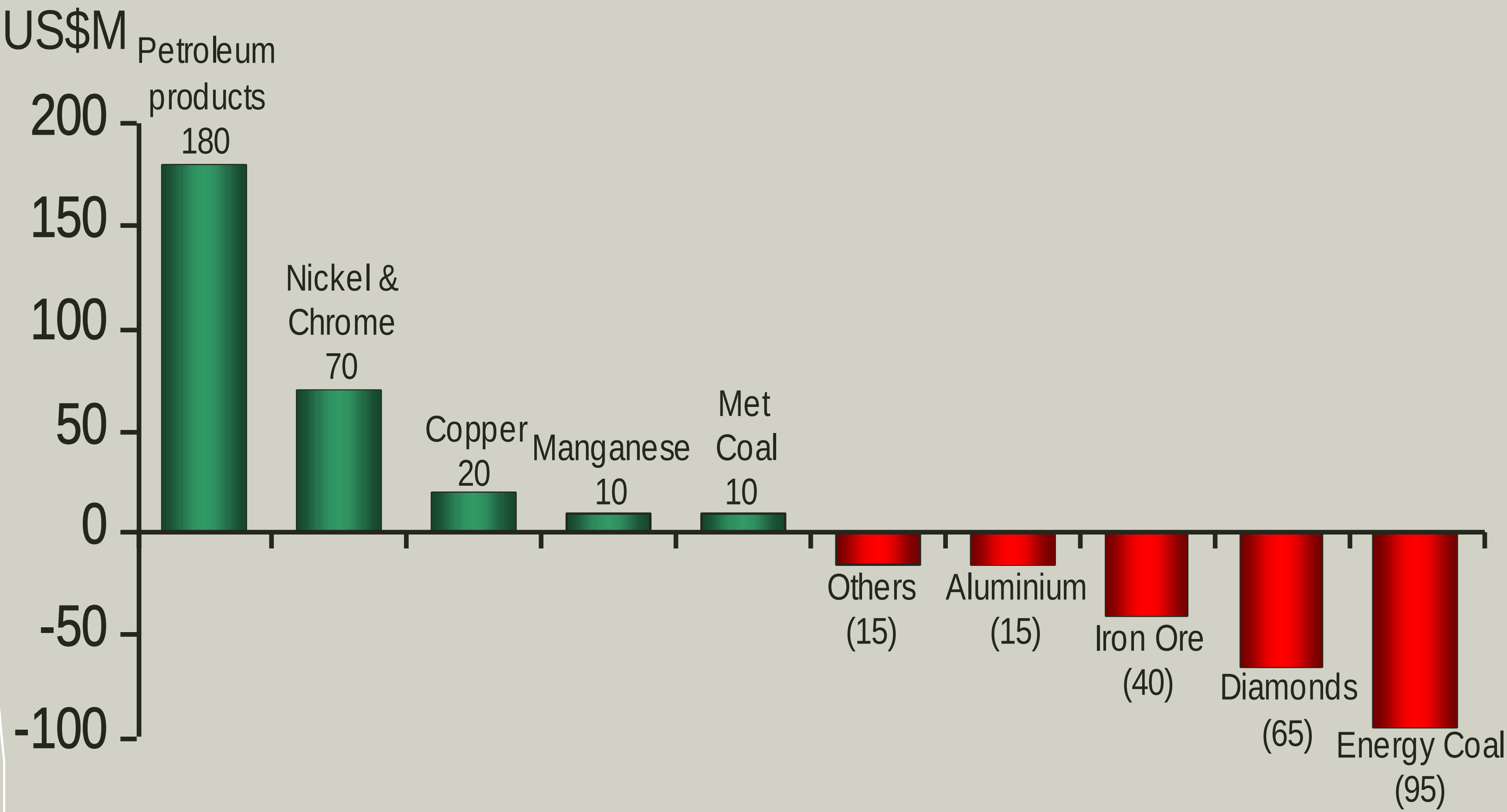
Impact of major commodity price changes on EBIT
Half year ended 31 Dec 02 v half year ended 30 Dec 01



Excludes impact of price linked costs, which had an unfavourable impact of US$50M

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Net interest, taxation & attributable profit
Continuing operations, excluding exceptionals

Half year ended 31 December (US$M)	2002	2001
EBIT	1,659	1,596
Net interest expense	(200)	(262)
Exchange impact on debt	(58)	242
Discounting of provisions/Capitalised interest	13	(3)
Profit before tax	1,414	1,573
Tax expense	(458)	(544)
Exchange impact on tax expense	(8)	145
Minorities	(17)	(19)
Attributable profit	931	1,155

Credit ratings: **S&P** ‘A’ (positive); ‘A-1’; **Moody’s** ‘A2’ (stable); ‘P-1’

Impact of restatements of net monetary liabilities - Half year ended December

(US$M)	Dec 02	Impact of Restatement	Dec 01	Impact of Restatement
EBIT	1,659	(20)	1,596	35
Net interest	(245)	(58)	(23)	242
Taxation expense	(466)	(60)	(399)	150
Attributable profit	931	(138)	1,155	427

Exchange rates Versus US dollar	As at 31 Dec 2002	As at 30 June 2002	As at 31 Dec 2001	As at 30 June 2001
South African rand	8.59	10.25	11.89	8.08
Australian dollar	1.76	1.77	1.96	1.98

Cash flow – from continuing operations

Half year ended 31 December (US$M)	2002	2001
Operating cash flow and JV dividends	1,969	2,000
Net interest paid	(170)	(242)
Tax paid	(540)	(396)
Available cash flow	**1,259**	**1,362**
Capital expenditure & investment	(1,200)	(1,103)
Acquisitions & disposals	272	43
Net cash flow before dividends and funding	**331**	**302**
Dividends paid	(835)	(811)
Net cash flow before funding	**(504)**	**(509)**

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Merger benefits – US$270M by end FY03

FY 2002(US$M)		HY 2003	Total
	Revenue enhancement		
25	Marketing operations	18	43
	EBIT synergies		
92	Operational ongoing	7	99
50	Operating Excellence	29	79
18	Strategic sourcing	4	22
185	Total EBIT synergies	58	243
35	Financing synergies & marketing structure	7	42
220	**Total merger benefits (before one-off costs)**	65	285

Merger benefits achieved – 6 months early

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Strategic framework US$500m unit cost reduction target FY2003 progress

(US$M)	HY 2003
Operating Excellence	32
Portfolio mix	38
Total savings	70

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INTERIM RESULTS

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CSG operating review

PETROLEUM

- 21% (US$4.65/bbl) increase in average realised oil prices to US$27.19/bbl
- Lower volumes at Liverpool Bay, Bass Strait and Laminaria
- Increased costs, including price linked costs and depreciation
- First gas from Bream gas pipeline 3 months ahead of schedule

ALUMINIUM

- 1.3% (US$17 per tonne) reduction in average LME price for aluminium to US$1,332 per tonne
- Lower costs and higher production from Operating Excellence programs and completion of Hillside pot relining program
- Higher production in Brazil following the end of power restrictions
- Aluminium and alumina production up 11% and 5% respectively

CSG operating review

BASE METALS

- 4.6% (US$0.03/lb) increase in average realised copper prices to US$0.68 per lb
- Lower exploration expenditure
- Production cutbacks at Escondida and Tintaya offset by Antamina on stream
- Commissioning of Escondida Phase IV project on time and within budget

CARBON STEEL MATERIALS

- Record iron ore production and shipments
- Increased demand for Samarco pellets
- Lower iron ore prices and higher Australian dollar denominated costs
- Growth projects progress on schedule and within budget

CSG operating review

DIAMONDS & SPECIALTY PRODUCTS

- 28% reduction in average realised diamond prices due to product mix
- Extended marketing activities for Ekati diamonds
- Increased diamonds production due to increased plant throughput and processing efficiencies
- Cost efficiencies achieved within the Integris business

ENERGY COAL

- Lower export prices
- Lower volumes due to sale of PT Arutmin and closure of Reitspruit
- Higher sales volumes at Ingwe and Hunter Valley
- Commissioning of longwall operations at New Mexico Coal, on schedule and under budget

CSG operating review

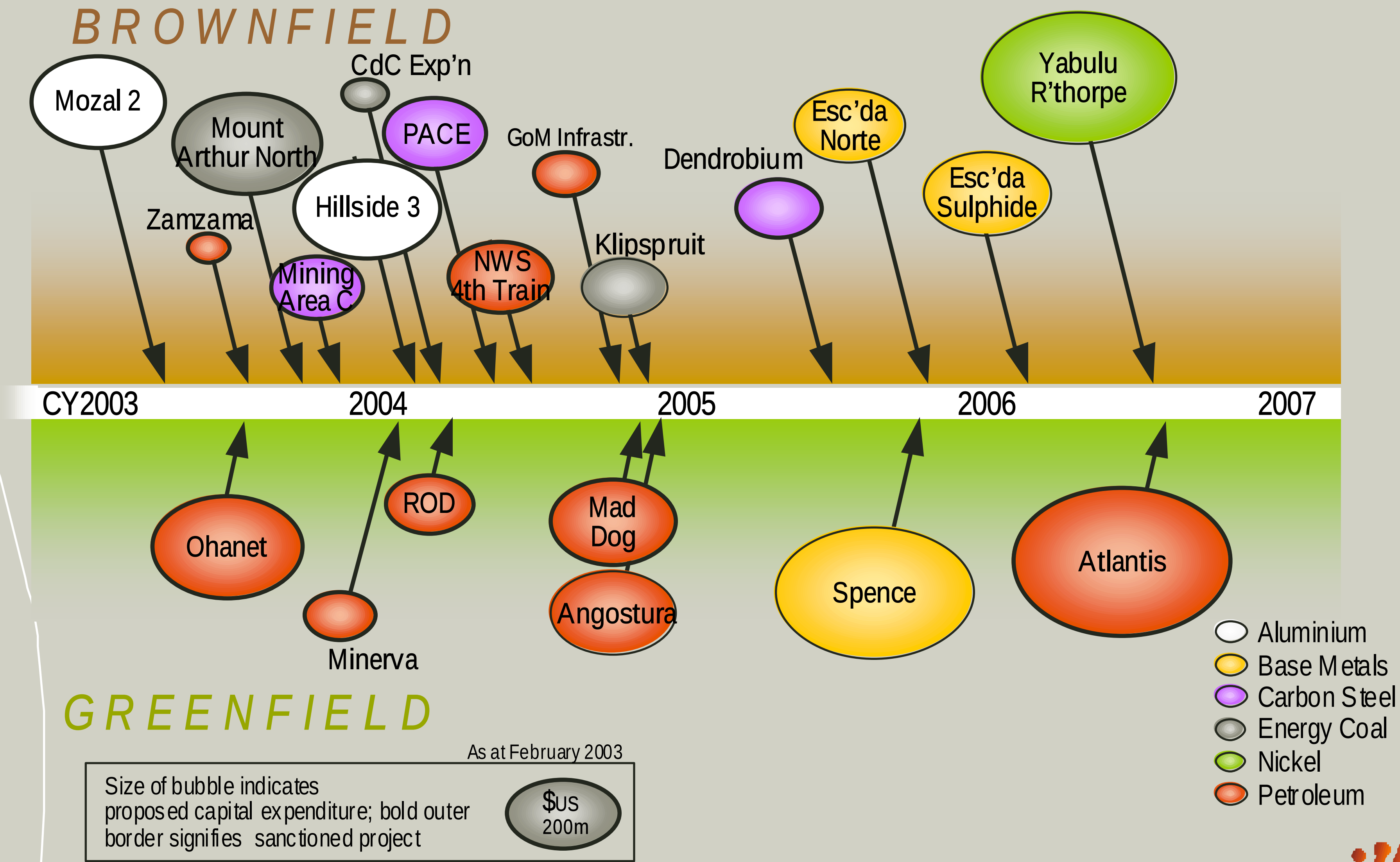
STAINLESS STEEL MATERIALS

- 29% increase in average realised nickel price to US$3.16/lb
- 12% increase in ferrochrome production in response to increasing market demand
- Increased nickel production due to ramp up of Cerro Matoso line 2
- Cost efficiencies at Cerro Matoso and QNI

MARKETING

- Core part of business – hubs fully established
- Enhanced product penetration – cross CSG sales
- Increased sales efficiencies
- Aids retention of market share and prices

Deep inventory of projects



Strategic focus

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China

- Huge demand for metals and bulk commodities
- Currently US$430 million of direct sales
  - *more than 30% of alumina sales*
  - *more than 20% of iron ore sales*
- Doing business "In China"
  - *Better management of supply chains*
  - *Access to transformed product*
- Marketing infrastructure in place
- Increasing sales opportunities

Summary and outlook

- Strong operational performance from diverse asset base
- EBIT strong and dividends up
- Merger benefits target delivered
- Commissioned Escondida Phase IV, San Juan underground and Bream gas pipeline
- Growth projects all on track
- Structure and strategy in place

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Growth pipeline – update on sanctioned projects Minerals

Project	Commodity	Share of Capex US$M	Target completion date	Progress
Mozal 2 (Mozambique) – 47.1%	Aluminium	405	Q2 2003	Ahead of initial schedule and under budget
Hillside 3 (South Africa) – 100%	Aluminium	449	Q1 2004	Ahead of initial schedule
Escondida Phase IV (Chile) – 57.5%	Copper	600	Q3 2002	Commissioned
Mining Area C (Australia) – 85%	Iron ore	181	Q4 2003	On time
Port & Capacity Expansion (Australia) – 85%	Iron ore	299	Q2 2004	On time
Dendrobium (Australia) – 100%	Met coal	170	Q2 2005	On time
San Juan underground (US) – 100%	Energy coal	146	Q3 2002	Commissioned
Mt Arthur North (Australia) – 100%	Energy coal	411	Q4 2003	On time

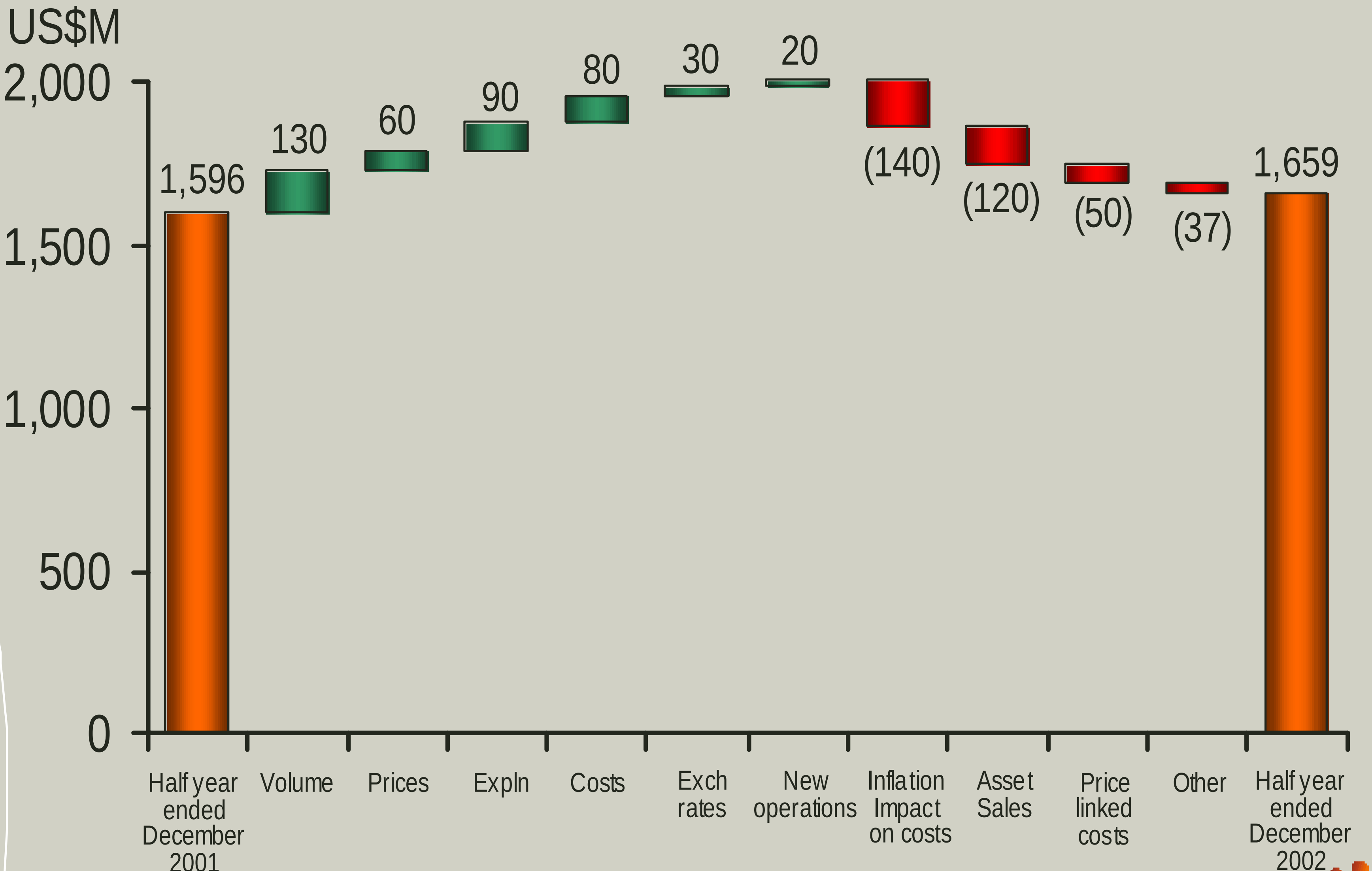
Target completion dates are calendar quarters

Growth pipeline – update on sanctioned projects Petroleum

Project	Commodity	Share of Capex US$M	Target completion date	Progress
Ohanet (Algeria) – 45%	Gas	464	Q3 2003	On time
ROD (Algeria) – 36%	Oil/gas	179	Q1 2004	On revised schedule
Mad Dog (US) – 23.9%	Oil/gas	335	Q4 2004	On time
Atlantis (US) – 44%	Oil/gas	1,100	Q3 2006	On time
GoM Pipelines Infrastructure (US) – 22/25%	Oil/gas	100	Q4 2004	On time
NWS Train 4 (Australia) – 16.7%	LNG	237	Q2 2004	On time
Minerva (Australia) – 90%	Gas	123	Q1 2004	On time
Bream Gas Pipeline (Australia) – 50%	Gas	50	Q4 2002	Commissioned ahead of time
Zamzama (Pakistan) – 38.5%	Gas	40	Q3 2003	On time

Target completion dates are calendar quarters

EBIT analysis – Continuing operations
Half year ended 31 Dec 02 v half year ended 31 Dec 01



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Financial ratios

	31 Dec 2002	30 Jun 2002
Net debt/(net debt + equity)(%)	37.5	35.0
EBITDA interest cover (times)	12.3	11.0
Return on capital (%)	12.4	11.0

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USD functional currency policy - general level of exposure

(US$M)	AUD	Rand	Impact
Net payables, receivables & employee provisions	(400)	(100)	P&L
Tax provisions	(700)	(400)	P&L
Debt	-	(400)	P&L
Total	(1,100)	(900)	P&L
Restoration & Rehab	(500)	(100)	Bal sheet

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Key net profit sensitivities

Approximate impact on annual net profit after tax of changes of:	(US$M)
US$1/bbl on oil price	45
US$1/t on iron ore price	25
US$1/t on metallurgical coal price	20
USc1/lb on aluminium price	15
USc1/lb on copper price	15
US$1/t on energy coal price	5
USc1/lb on nickel price	1

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Key net profit sensitivities

Approximate impact on annual net profit after tax of changes of:	(US$M)
Australian dollar (USc1/A$)	
Operations (net of hedging)(1)	20
Net monetary liabilities(2)	20
South African Rand (0.2 Rand/US$)	
Operations(1)	15
Net monetary liabilities(2)	10
Rand debt(2)	10

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

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Strategic framework US$500m unit cost reduction target
Cost saving methodology

- Cost savings and efficiency gains resulting from corporate excellence and a focus on our core business
  - Operating excellence
  - Simplified corporate structure and processes
  - Marketing organisation – increased volumes and market share
  - Productivity improvements

- Methodology principles
  - Commodity based – unit costs
  - FY01 base year – consistent with merger synergies
  - Adjusted for price linked costs, exchange rates, inflation and exceptionals

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Interim results under Australian GAAP
Half year ended 31 December

(US$M)	2002	2001
Sales revenue	7,056	8,067
Profit before tax	1,275	1,696
Profit after tax attributable to members	891	1,177
Net operating cash flow	1,189	1,483
EPS (US cents)	14.4	19.5
EBITDA interest cover (times)	11.4	10.4

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