BHP BILLITON PLC
Form 6-K
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16 OF

THE SECURITIES EXCHANGE ACT OF 1934

For the Date of

19 February 2004

BHP Billiton Plc

Registration Number 3196209

Neathouse Place

London SW1V 1BH

United Kingdom

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F	X		Form 40-F	

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934

Yes			No	X

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

Date 19 February 2004
Number 10/04

BHP BILLITON RESULTS FOR THE

HALF YEAR ENDED 31 DECEMBER 2003

- EBITDA (excluding exceptional items) up 23.0% to US$3,119 million and EBIT (excluding exceptional items) up 31.6% to US$2,183 million mainly reflecting increased commodity prices and operating performance, partly offset by adverse foreign exchange impacts.
- Strong increase in attributable profit excluding exceptional items to US$1,213 million, up 30.3% (US$1,339 million, up 46.8%, including exceptional items), despite adverse movements in exchange rates of approximately US$230 million compared to the corresponding period.
- Available cash flow (after interest and tax) of US$1,681 million, up 42.6%.
- Half yearly production records in iron ore, aluminium, alumina, nickel and diamonds.
- Total merger benefits and cost savings of US$655 million since the merger, against a target of US$770 million by 30 June 2005.
- Five major growth projects commissioned since 30 June 2003 - Ohanet gas (Algeria), Hillside 3 aluminium (South Africa), Mount Arthur North (Australia), Mining Area C iron ore and iron ore port expansion (both Australia).

Half year ended 31 December	J003 US$M	J002 US$M	Change %
Turnover (1)	I0 963	8 048	K6.2%
EBITDA (1) (2) (3)	K 119	J 536	J3.0%
EBIT (1) (2) (3)	J 183	I 659	K1.6%
Attributable profit (excluding exceptional items) (1)	I 213	931	K0.3%
Attributable profit (including exceptional items) (1)	I 339	912	L6.8%
Available cash flow (4)	I 681	I 179	L2.6%
Basic earnings per share (US cents) (1) (2)	I9.5	I5.0	K0.0%

EBITDA interest coverage (times) (1) (2) (3) (5)	I4.8	I2.7	I6.5%
Dividend per share (US cents)	8.0	O.0	I4.3%

(1) Including the Group's share of joint ventures and associates.

(2) Excluding exceptional items.

(3) EBIT is earnings before interest and tax. EBITDA is EBIT before depreciation and amortisation of US$936 million (comprising Group depreciation and amortisation of US$853 million and joint venture and associate depreciation and amortisation of US$83 million) for the half year ended 31 December 2003 and US$877 million (comprising Group depreciation and amortisation of US$792 million and joint venture and associate depreciation and amortisation of US$85 million) for the half year ended 31 December 2002. We believe that EBIT and EBITDA provide useful information, but should not be considered as an indication of, or alternative to, attributable profit as an indicator of operating performance or as an alternative to cash flow as a measure of liquidity.

(4) Available cash flow is operating cash flow including dividends from joint ventures and associates and after net interest and tax.

(5) For this purpose, net interest includes capitalised interest and excludes the effect of discounting on provisions and exchange differences arising from net debt.

The above financial results are prepared in accordance with UK generally accepted accounting principles (GAAP) and are unaudited. Financial results in accordance with Australian GAAP are provided on page 28. All references to the corresponding period are to the half year ended 31 December 2002.

RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 200

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Commentary on the Group Interim Results

Introduction

The significant growth in the Group's operating and financial performance for the half year ended 31 December 2003 reflects the consistent execution of its business strategy over the last several years. The Group has focussed on: 1) maximising the performance of its operating assets; 2) identifying opportunities to save cost through the sharing of best practices, including benefiting from its economies of scale, and; 3) utilising its stable cash flow to reinvest in its substantial number of growth projects.

Earnings before interest and tax (excluding exceptional items) was US$2,183 million, 31.6% higher than the corresponding period of US$1,659 million, reflecting higher prices for all commodities, increased sales volumes for copper, metallurgical coal, diamonds, iron ore and aluminium, and lower operating costs, partly offset by adverse foreign exchange impacts.

Attributable profit (excluding exceptional items) increased by 30.3% to US$1,213 million compared with the corresponding period of US$931 million. BHP Billiton operates under a US dollar functional currency based on the fact that the vast majority of our revenue is US dollar denominated. One major profit impact of operating as a US dollar functional currency company is the translation of non US dollar denominated net monetary liabilities at balance date, with the movement from the corresponding period taken directly to the profit and loss account in the current period. These are non-cash restatements and reduced attributable profit by approximately US$230 million compared with the corresponding period. Attributable profit including exceptional items was US$1,339 million, an increase of 46.8% from the corresponding period.

Our strong operating performance is reflected in a number of production records being set during the half year. Western Australian iron ore production of 44.9 million tonnes (100 per cent terms) and despatches of 44.0 million tonnes (100 per cent terms) were both records, driven by strong demand in all Asian markets, particularly China. Aluminium production was a record at 590,000 tonnes, following the early commissioning of the Mozal 2 expansion in Mozambique and the Hillside 3 expansion in South Africa. The benefits of operating excellence initiatives have also contributed to half yearly production records being set for nickel, alumina and diamonds.

Building on the merger benefits and cost savings generated to 30 June 2003, additional savings of US$60 million achieved during the current half year brings total savings to US$655 million since the merger. The Group is confident of achieving its previously announced target of US$770 million by 30 June 2005.

Progress continued with our pipeline of projects with first gas production at the Ohanet wet gas development in Algeria, first metal being cast at the Hillside aluminium smelter expansion in South Africa, full production achieved at the Mozal 2 aluminium smelter expansion project in Mozambique, and the first iron ore shipment from Mining Area C in Western Australia, through the newly expanded port facilities. Each of these projects was completed on or under budget, and on or ahead of schedule. The Group currently has nine major growth projects in development.

EBIT margin before exceptional items and third party product sales was 26.8% compared to 24.6% for the corresponding period.

This performance has enabled the Group to continue its progressive dividend policy with a 14.3% increase in the first half dividend compared with last year, while continuing to progress our pipeline of value accretive growth projects.

The Income Statement

Turnover rose by 36.2% to US$10,963 million, mainly due to higher sales volumes of copper, metallurgical coal, diamonds, iron ore and aluminium and higher prices for copper, nickel, aluminium, petroleum products, chrome, energy coal, iron ore, hot briquetted iron, diamonds and manganese. Turnover includes sales of third party product which increased by US$1,483 million to US$2,829 million due to higher prices and volumes. These factors were partly offset by lower sales volumes of petroleum products and titanium feedstock products.

Earnings before interest, tax, depreciation and amortisation (EBITDA) excluding exceptional items increased by 23.0% to US$3,119 million from US$2,536 million in the corresponding period.

Earnings before interest and tax (EBIT) excluding exceptional items were US$2,183 million compared with US$1,659 million in the corresponding period, an increase of 31.6%. This increase was due to higher commodity prices, cost savings, increased sales volumes and profits from asset sales. Offsetting factors were exchange rate impacts, increased price linked costs, inflationary pressures principally in Australia and South Africa, higher exploration expenditure and lower profits of ceased, sold and discontinued operations in the corresponding period. Further analysis of the factors affecting turnover and EBIT is set out on page 7 and 8.

Net interest on borrowings and cash increased to US$211 million from US$200 million in the corresponding period, principally driven by costs associated with restructuring the Group's debt portfolio, partially offset by lower average debt levels.

Exchange losses on net debt were US$89 million compared to net losses of US$58 million in the corresponding period.

The tax charge excluding exceptional items was US$658 million, representing an effective rate of 34.8%. Excluding the impacts on tax of non tax-effected foreign currency adjustments, translation of tax balances and other functional currency translation adjustments, mainly attributable to the strengthening of both the South African rand and Australian dollar against the US dollar during the period, the effective rate was 27.3%. The Group has continued to recoup unrecognised tax losses in the US, which resulted in a 2.6% reduction in the effective tax rate of the Group (US$50 million). In addition, investment incentives and development entitlements which have been able to be recognised during the current half year, further reduced the effective tax rate by approximately 3%.

Attributable profit excluding exceptional items (after minority interests of US$18 million) was US$1,213 million, an increase of 30.3% from US$931 million (after minority interests of US$17 million), largely due to the positive impacts on EBIT.

Excluding the impact of exceptional items, basic earnings per share was 19.5 US cents against 15.0 US cents in the corresponding period, an increase of 30.0%.

Exceptional Items

In December 2003, BHP Billiton announced that it was part of a consortium that had reached a settlement with Dalmine SpA with respect to a claim brought against Dalmine in April 1998. The claim followed the failure of an underwater pipeline installed in 1994 in the Liverpool Bay area of the UK continental shelf. As a result of the settlement, BHP Billiton has recorded an exceptional gain of US$66 million (US$48 million after tax).

During the current half year, BHP Billiton has elected to consolidate its Australian subsidiaries under the Australian tax consolidation regime, as introduced by the Australian Federal Government. Under the transitional rules, the Group has chosen to reset the tax cost base of certain depreciable assets which will result in additional tax depreciation over the lives of the assets. This has resulted in the restatement of deferred tax balances and an exceptional tax benefit of US$78 million being recorded in accordance with UK Generally Accepted Accounting Principles.

Attributable profit including exceptional items (after minority interests of US$18 million) was US$1,339 million, an increase of 46.8% from US$912 million (after minority interests of US$17 million).

Including the impact of exceptional items, basic earnings per share was 21.5 US cents against 14.7 US cents in the corresponding period, an increase of 46.3%.

Cash Flows

Available cash flow (after interest and tax) increased by 42.6% to US$1,681 million.

Expenditure on growth projects and investments amounted to US$836 million, including US$383 million on petroleum projects and US$453 million on minerals and other corporate projects. Sustaining capital expenditure was US$400 million and exploration expenditure was US$193 million, while disposals of fixed assets, sale of investments and associates and repayments of loans by joint ventures generated US$108 million.

Net cash flow before dividend payments was US$360 million. Dividends paid in the period were US$959 million compared with US$830 million in the corresponding period.

Net debt of US$6,386 million at 31 December 2003 represents 32.3% of net debt plus net assets. Net debt comprises US$7,198 million of total debt offset by US$812 million of cash, including money market deposits.

Cost Savings

In addition to targeted merger benefits of US$270 million, in April 2002 under our Strategic Framework, we set a further target for annual cost savings of US$500 million to be achieved by 30 June 2005. The target is measured by comparing current commodity based unit costs, with those of the 30 June 2001 financial year after adjusting for inflation, exchange rate movements and other one-off items. Cost savings are driven by the continuation of our Operating Excellence program (comprising the three key elements of leadership, process improvement and technology), strategic sourcing and marketing initiatives. During the current half year, we achieved savings of US$60 million. Combined with total merger benefits and cost savings of US$595 million achieved to 30 June 2003, this brings our total benefits and savings since the merger to US$655 million.

Portfolio Management

The sale of a non-core royalty interest by Diamonds and Specialty Products generated a profit of US$37 million before tax in the current half year. In December 2003, the Group announced it had entered into agreements to sell its 33.6% interest in Highland Valley Copper mine in Canada and the Robinson copper/gold mine in the US. These sales will be recognised when completed, which is expected to be in the second half of this financial year if certain conditions precedent are met.

Dividend

On 3 December 2003, a dividend of 8.0 US cents per share was paid to BHP Billiton Limited and BHP Billiton Plc shareholders, representing an increase of 14.3% on the interim dividend of 7.0 US cents per share paid in December 2002. The BHP Billiton Limited dividend was fully franked for Australian taxation purposes.

Capital Management

In October 2003, Standard & Poor's upgraded the Group's long term credit rating from A to A+. The benefit of a diversified portfolio, strong financial performance, disciplined financial policies and the successful integration of the Group's operations following the merger underpinned the upgrade.

Contingent Liabilities

On 18 December 2003, the Victorian Supreme Court action in relation to Ok Tedi (Papua New Guinea) brought by Rex Dagi against BHP Billiton Limited was discontinued and on 16 January 2004 the Victorian Supreme Court approved the settlement of the Gagarimabu class action and dismissed the claim against BHP Billiton Limited. The settlement involves no further cost to the Group and the plaintiffs acknowledging that the Group has, at all times, complied with the 1996 Terms of Settlement. The Group no longer has a contingent liability in relation to Ok Tedi.

Corporate Governance

Mr Cornelius Herkstroter retired as a Director in the December quarter and a worldwide search is underway for a replacement.

The Group completed a review of its joint external audit services and resolved that the audit could be more efficiently undertaken by a single audit firm. As a result of this review, KPMG was selected to continue as sole auditor.

During the half year, the Group announced that it would no longer report quarterly financial results. This decision brings the Group into line with its major peers and follows standard practice in the Australian and UK markets of reporting half and full year results only. BHP Billiton will release its full year results in August 2004.

Outlook

China continues to record strong domestic growth, providing the impetus for a recovery in other Asian economies. Continued expansionary monetary and fiscal policies in the other major economies have provided the basis for improving business conditions around the world. Recovery in the US has been reinforced by an upturn in investment, rising manufacturing orders and output, and robust expectations for future production, employment and exports. European countries are benefiting from an upturn in global trade, although the strength of the Euro against the US dollar is a cause for concern. Japan continues to record strong quarterly growth. Although not without risks, a synchronised global recovery is a possibility.

BHP Billiton is well placed to take advantage of both current strong demand and the continued recovery in global economies. In the short term we will continue to optimise the performance of our existing assets and, where possible, accelerate smaller scale expansions utilising existing infrastructure to service market requirements whilst maximising capital efficiency. In addition, we will bring forward larger, brownfield and greenfield, organic growth opportunities in certain commodities where we see continued demand growth, enabling us to meet the longer term needs of our customers. As a result of recent successful exploration results, we will increase funding for petroleum exploration by US$100 million in FY2004. Our strong cash flow and balance sheet leave us well placed to pursue all of these activities.

TRADING REVIEW

EBIT

The following table and commentary detail the approximate impact of major factors affecting EBIT (excluding exceptional items) for the half year ended 31 December 2003 compared with the corresponding period.

	US$M
EBIT excluding exceptional items for the half year ended 31 December 2002	1 659
Change in volumes	45
Change in sales prices	1 005
Price-linked costs	(85)

Inflation on costs	(90)
Costs	65
New and acquired operations	10
Ceased, sold and discontinuing operations	(20)
Asset sales	55
Exchange rates	(455)
Exploration	(30)
Other items	24
EBIT excluding exceptional items for the half year ended 31 December 2003	2 183

Volumes

Higher sales volumes of copper, metallurgical coal, diamonds, iron ore and aluminium increased EBIT. This was partly offset by lower sales volumes of petroleum products and titanium feedstock products, resulting in a positive net volume impact on EBIT of US$45 million.

Prices

Higher prices for all major commodities increased EBIT by US$1,005 million.

Costs

Favourable operating cost performance increased EBIT by US$65 million compared with the corresponding period.

Increases in price-linked costs decreased EBIT by US$85 million, mainly due to higher nickel ore supply costs to the QNI Yabulu refinery (Australia), increased taxes for petroleum products and increased costs linked to higher LME prices.

Inflationary pressures, principally in Australia and South Africa, increased costs by US$90 million.

New and acquired operations

New and acquired operations increased EBIT by US$10 million due to the commencement of commercial production from the Ohanet wet gas development in Algeria from October 2003.

Ceased, sold and discontinuing operations

The corresponding period included EBIT of US$20 million mainly from the Alumbrera mine (Argentina) which was divested effective April 2003.

Asset sales

The impact of asset sales is an increase in EBIT of US$55 million mainly due to the sale of a non-core royalty interest (of US$37 million) in the current period.

Exchange rates

The unfavourable exchange rate impact on EBIT of US$455 million was primarily due to the effects of stronger A$/US$ and rand/US$ exchange rates on operating costs. The conversion of rand and A$ denominated net monetary liabilities at balance sheet date also had an unfavourable impact (US$75 million), which was mainly due to the A$/US$ exchange rate appreciating 12.3% during the current period compared with no movement in the corresponding period. This was partly offset by gains on legacy A$/US$ currency hedging of US$30 million in the current period, a favourable impact of US$125 million when compared to losses of US$95 million in the corresponding period.

Exploration

Exploration expense was up by US$30 million. Gross exploration spending was US$193 million, comprising petroleum exploration of US$153 million and minerals exploration of US$40 million, compared with US$130 million in the corresponding period. The capitalisation rate for petroleum exploration was 49.7% in the current half year, compared to 47.4% in the corresponding period.

CUSTOMER SECTOR GROUP SUMMARY

The following table provides a summary of the Customer Sector Group results for the half year ended 31 December 2003 and the corresponding period (before exceptional items).

Half year ended 31 December (US$ Million)	Turnover (1)				EBIT (1)		
	J003	J002	Change %		J003	J002	Change %
Petroleum	J 245	I 511	L8.6%		N02	N60	(8.8%)
Aluminium	J 023	I 535	K1.8%		K07	J66	I5.4%
Base Metals	I 351	897	M0.6%		K33	83	K01.2%

Carbon Steel Materials	J 206	I 747	J6.3%		M05	M06	(0.2)%
Diamonds and Specialty Products	O58	O16	M.9%		I95	I50	K0.0%
Energy Coal	I 242	947	K1.2%		85	I24	(31.5)%
Stainless Steel Materials	O44	L91	M1.5%		I93	N1	J16.4%
Group and unallocated items	810	L24	91.0%		(37)	(191)	N/A
BHP Billiton Group (2)	10 963	8 048	K6.2%		J 183	I 659	K1.6%

(1) Turnover and EBIT include trading activities comprising the sale of third party product.

(2) BHP Billiton Group turnover is stated after the elimination of intersegment transactions.

An explanation of the factors influencing EBIT before exceptional items, including joint ventures and associates, by Customer Sector Group, is as follows:

Petroleum

Petroleum contributed EBIT of US$602 million, down from US$660 million, a decrease of 8.8% compared with the corresponding period.

The decrease in EBIT was mainly attributable to lower liquids production, appreciation of the A$/US$ exchange rate, higher exploration expenditure and losses on the sale of third party product. Offsetting these factors were stronger product prices (net of price-linked costs), higher gas volumes and new production from Ohanet (Algeria) and Boris (US).

Overall, production of petroleum products on a barrel of oil equivalent basis declined by 1% from 63.1 million barrels to 62.4 million barrels in the current half year, with oil and condensate production declining by 13% from 34.9 million barrels to 30.4 million barrels. Lower oil production was due to expected natural field decline at Laminaria (Australia), Bass Strait (Australia) and Griffin (Australia). Offsetting this was higher production from Liverpool Bay (UK), the commissioning of Boris North (US) in September 2003, and Boris South (US) in February 2003 and the commissioning of Ohanet in October 2003. Natural gas production increased due to the successful commissioning of the Zamzama (Pakistan) Phase 1 project in July 2003, together with increased production from Liverpool Bay.

The conversion of A$ denominated net monetary liabilities, mainly resource rent tax, had an unfavourable impact on EBIT of US$40 million compared with the corresponding period. For the period, gross exploration expenditure was US$153 million, which was US$58 million higher than the corresponding period. The increased spending resulted in a higher level of exploration charged to profit (US$77 million in the current period compared to US$50 million in the corresponding period) despite an improved capitalisation rate of approximately 50%. This increase in spending was mainly due to increased activity in the Gulf of Mexico and Trinidad and Tobago, following successful drilling results.

The decrease in EBIT was partly offset by higher average realised prices. The average realised oil price was US$29.40 per barrel compared to US$27.19 per barrel in the corresponding period. The average realised natural gas price was US$2.37 per thousand standard cubic feet compared to US$1.98 per thousand standard cubic feet in the corresponding period.

Aluminium

Aluminium contributed EBIT of US$307 million, up from US$266 million, an increase of 15.4% compared with the corresponding period.

The increase in EBIT was mainly attributable to higher realised aluminium prices due to the average aluminium LME price increasing to US$1,474 per tonne in the current period, compared to US$1,332 per tonne in the corresponding period, together with higher realised alumina prices. Higher sales volumes from Mozal 2 (Mozambique) and Hillside 3 (South Africa) following full commissioning in August 2003 and December 2003 respectively, also had a favourable impact on EBIT.

These factors were partially offset by higher LME price-linked costs, the unfavourable impact of strengthening A$/US$ and rand/US$ average exchange rates on operating costs, and increased transportation costs. The commissioning of Mozal 2 and Hillside 3 has also led to higher in-process stocks and finished goods.

Base Metals

Base Metals contributed EBIT of US$333 million, up from US$83 million, an increase of US$250 million compared with the corresponding period.

The increase in EBIT was mainly attributable to the higher average realised copper price of US$0.96 per pound for the half year ended 31 December 2003, compared to US$0.68 per pound in the corresponding period. Higher prices for silver, lead and zinc also had a favourable impact on EBIT. Copper production was 8% higher in the current period mainly due to increased production from the commissioning of the Phase IV expansion project at Escondida (Chile) in October 2002, and the resumption of sulphide mining operations at Tintaya (Peru) in August 2003.

These factors were partially offset by higher production costs at Antamina (Peru) due to access to ore being restricted to the flanks of the deposit, and at Escondida due to higher depreciation charges associated with the Phase IV expansion project. The stronger A$/US$ and Chilean peso/US$ average exchange rates also had an unfavourable impact on EBIT. The corresponding period includes the results of the Alumbrera mine, which was sold effective April 2003.

Carbon Steel Materials

Carbon Steel Materials contributed EBIT of US$505 million, in line with the US$506 million in the corresponding period.

EBIT was unfavourably impacted by the stronger A$/US$ and rand/US$ average exchange rates on operating costs compared with the corresponding period, as well as unfavourable inflationary pressure on Australian and South African operations.

These factors were largely offset by higher iron ore prices following contract settlements announced in May 2003 and stronger prices for hot briquetted iron. Higher production at the Western Australian iron ore operations and the Queensland Coal operations led to improved cost performance. Increased shipments at Queensland Coal and record shipments of iron ore, both in response to continued strong customer demand, had a favourable impact on EBIT as did stronger prices for manganese alloys and continuing improvements in the operating performance of Boodarie Iron (Australia).

Diamonds and Specialty Products

Diamonds and Specialty Products contributed EBIT of US$195 million, up from US$150 million, an increase of 30.0% compared with the corresponding period.

The increase in EBIT was mainly attributable to profits realised on the sale of a non-core royalty interest (US$37 million) and mineral rights. Higher average realised diamond prices, up 14% from the corresponding period, and increased diamond sales, up 25% from the corresponding period due to the processing of a pocket of high-grade ore, had a favourable impact on EBIT. Processing efficiencies achieved at Ekati (Canada) also impacted EBIT favourably.

These factors were partially offset by lower volumes of titanium feedstock in response to weaker market conditions. The unfavourable impact of strengthening rand/US$ and Canadian$/US$ average exchange rates on operating costs also had a negative impact on EBIT.

Energy Coal

Energy Coal contributed EBIT of US$85 million, down from US$124 million, a decrease of 31.5% compared with the corresponding period.

The decrease in EBIT was primarily due to the unfavourable impact of stronger rand/US$ and A$/US$ average exchange rates on operating costs and the conversion of rand and A$ denominated net monetary liabilities at balance date. In addition, lower exports due to lower availability from Ingwe (South Africa), down 12% in the current half year, had an unfavourable impact on EBIT. Increased unit costs at Ingwe, due to the production mix between mines and additional contractor costs at that operation, and inflationary pressures in South Africa, also impacted EBIT negatively.

These factors were partially offset by stronger export prices, cost savings at Cerrejon Coal (Colombia) due to integration synergies and business improvement programs, and increased volumes at Hunter Valley (Australia) and Cerrejon Coal.

Stainless Steel Materials

Stainless Steel Materials contributed EBIT of US$193 million, up from US$61 million, an increase of US$132 million or 216% compared with the corresponding period.

The increase in EBIT was driven by higher realised prices for nickel, up 49% on the corresponding period from US$3.16 per pound to US$4.72 per pound, and higher prices for ferrochrome compared to the corresponding period.

These factors were partially offset by the unfavourable impact of stronger rand/US$ and A$/US$ average exchange rates on operating costs. Higher price-linked nickel ore supply costs to the QNI Yabulu refinery and higher price-linked royalty costs at Cerro Matoso (Colombia) also adversely affected EBIT.

Group and Unallocated Items

Net corporate operating costs, excluding gains and losses from legacy A$/US$ currency hedging and other exchange impacts, were US$102 million compared with US$111 million in the corresponding period.

Gains on legacy A$/US$ currency hedging were approximately US$30 million during the current half year, compared with losses of approximately US$95 million in the corresponding period.

INTERIM FINANCIAL INFORMATION

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The interim financial information set out on pages 15 to 27 has been prepared on the same basis and using the same accounting policies as were applied in drawing up the financial information contained in the accounts of BHP Billiton Plc for the year ended 30 June 2003 except for the change in accounting policy for employee share awards referred to in Note 1. The interim financial information should be read in conjunction with the accounts of BHP Billiton Plc for the year ended 30 June 2003 and does not include all information normally contained within the notes to annual accounts. Where applicable, comparatives have been adjusted to disclose them on the same basis as current period figures.

The financial information for the half years ended 31 December 2003 and 31 December 2002 has been subject to review by the auditor but is unaudited. In the opinion of the Directors, the financial information for these periods presents fairly the financial position, results of operations and cash flows for the periods in conformity with UK generally accepted accounting principles (GAAP).

The financial information for the year ended 30 June 2003 has been derived from the audited financial statements of BHP Billiton Plc for that period as filed with the UK Registrar of Companies and does not constitute the statutory accounts of BHP Billiton Plc for that period. The auditors' report on the statutory accounts for the year ended 30 June 2003 was unqualified and did not contain statements under Section 237 (2) (regarding adequacy of accounting records and returns) or under Section 237 (3) (provision of necessary information and explanations) of the United Kingdom Companies Act 1985.

INDEPENDENT REVIEW REPORT OF THE AUDITOR TO BHP BILLITON PLC

Introduction

We have been instructed by the Company to review the financial information for the six months ended 31 December 2003 set out on pages 15 to 27 and we have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Listing Rules of the United Kingdom Financial Services Authority. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the United Kingdom Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where they are to be changed in the next annual accounts, in which case any changes, and the reasons for them, are to be disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4: "Review of Interim Financial Information" issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed and excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. A review is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 31 December 2003.

KPMG Audit Plc
Chartered Accountants
London, 19 February 2004

Interim Financial Information BHP Billiton Plc

Consolidated Profit and Loss Account

for the half year ended 31 December 2003

	Notes	Half year ended 31 December 2003 Excluding exceptional items US$M	Exceptional items (Note 2) US$M	Total US$M	Half year ended 31 December 2002 Excluding exceptional items US$M	Exceptional items (Note 2) US$M	Total US$M	Year ended 30 June 2003 Excluding exceptional items US$M	Exceptional items (Note 2) US$M	Total US$M
Turnover (including share of joint ventures and associates)										
Group production		8 134	-	8 134	6 702	-	6 702	14 124	-	14 124
Third party products	3	2 829	-	2 829	1 346	-	1 346	3 382	-	3 382
	3, 4	10 963	-	10 963	8 048	-	8 048	17 506	-	17 506
less Share of joint ventures' and associates' turnover included above		(1 016)	-	(1 016)	(977)	-	(977)	(1 898)	-	(1 898)
Group turnover		9 947	-	9 947	7 071	-	7 071	15 608	-	15 608
Net operating costs	2	(8 014)	66	(7 948)	(5 618)	-	(5 618)	(12 554)	-	(12 554)
Group operating profit/(loss)		1 933	66	1 999	1 453	-	1 453	3 054	-	3 054
Share of operating profit/(loss) of joint ventures and associates		170	-	170	184	-	184	358	-	358

Operating profit/(loss) (including share of profit of joint ventures and associates)		2 103	66	2 169	1 637	-	1 637	3 412	-	3 412
Comprising:										
Group production		2 097	66	2 163	1 627	-	1 627	3 369	-	3 369
Third party products	3	6	-	6	10	-	10	43	-	43
		2 103	66	2 169	1 637	-	1 637	3 412	-	3 412
Income from other fixed asset investments		18	-	18	14	-	14	16	-	16
Profit on sale of fixed assets		62	-	62	8	-	8	46	-	46
Profit on sale of operations		-	-	-	-	-	-	7	-	7
Loss on sale of Discontinued Operations (a)	2	-	-	-	-	(19)	(19)	-	(19)	(19)
Profit/(loss) before net interest and similar items payable and taxation		2 183	66	2 249	1 659	(19)	1 640	3 481	(19)	3 462
Net interest and similar items payable										
Group	5	(242)	-	(242)	(199)	-	(199)	(444)	-	(444)
Joint ventures and	5	(52)	-	(52)	(46)	-	(46)	(93)	-	(93)

associates										
Profit/(loss) before taxation	3, 4	1 889	66	1 955	1 414	(19)	1 395	2 944	(19)	2 925
Taxation	2	(658)	60	(598)	(466)	-	(466)	(984)	-	(984)
Profit/(loss) after taxation		1 231	126	1 357	948	(19)	929	1 960	(19)	1 941
Equity minority interests		(18)	-	(18)	(17)	-	(17)	(40)	-	(40)
Profit/(loss) for the financial period (attributable profit)		1 213	126	1 339	931	(19)	912	1 920	(19)	1 901
Dividends to shareholders		(497)	-	(497)	(434)	-	(434)	(900)	-	(900)
Retained profit/(loss) for the financial period		716	126	842	497	(19)	478	1 020	(19)	1 001
Earnings per ordinary share (basic) (US cents)	7	19.5	2.0	21.5	15.0	(0.3)	14.7	30.9	(0.3)	30.6
Earnings per ordinary share (diluted) (US cents)	7	19.5	2.0	21.5	15.0	(0.3)	14.7	30.9	(0.3)	30.6
Dividend per ordinary share (US cents)				8.0			7.0			14.5

(a) All the items in the Profit and Loss Account relate to Continuing Operations other than the loss on the sale of Discontinued Operations (refer Note 2).

The accompanying notes form part of these interim financial statements.

Consolidated Statement of Total Recognised Gains and Losses

for the half year ended 31 December 2003

		Half year ended 31 December 2003	Half year ended 31 December 2002	Year ended 30 June 2003
		US$M	US$M	US$M
Attributable profit for the financial period		1 339	912	1 901
Exchange gains on foreign currency net investments		47	39	67
Total recognised gains for the financial period		1 386	951	1 968
Prior year adjustment arising from the change in accounting policy (refer Note 1)		84	-	-
Total recognised gains since last annual report		1 470	951	1 968

The accompanying notes form part of these interim financial statements.

Consolidated Balance Sheet

at 31 December 2003

		As at 31 December 2003	As at 31 December 2002	As at 30 June 2003
	Notes	US$M	(Restated) US$M	(Restated) US$M
Fixed assets				
Intangible assets				
Goodwill		35	38	36
Negative goodwill		(28)	(32)	(29)
		7	6	7

Tangible assets		20 565	18 931	19 809
Investments				
Joint ventures - share of gross assets		2 873	2 799	2 880
Joint ventures - share of gross liabilities		(1 482)	(1 361)	(1 477)
		1 391	1 438	1 403
Associates		-	100	-
Loans to joint ventures and associates and other investments		388	866	441
Total fixed assets		22 351	21 341	21 660
Current assets				
Stocks		1 658	1 253	1 379
Debtors				
Amounts due within one year		3 033	2 254	2 224
Amounts due after more than one year		1 684	1 149	1 405
		4 717	3 403	3 629
Investments		185	107	143
Cash including money market deposits		812	874	1 552
Total current assets		7 372	5 637	6 703
Creditors - amounts falling due within one year		(4 379)	(4 397)	(4 207)
Net current assets		2 993	1 240	2 496

Total assets less current liabilities		25 344	22 581	24 156
Creditors - amounts falling due after more than one year		(6 494)	(6 569)	(6 849)
Provisions for liabilities and charges		(5 494)	(4 224)	(4 898)
Net assets		13 356	11 788	12 409
Equity minority interests		(314)	(302)	(318)
Attributable net assets		13 042	11 486	12 091
Capital and reserves				
Called up share capital - BHP Billiton Plc		1 234	1 234	1 234
Share premium account		518	518	518
Contributed equity - BHP Billiton Limited		1 833	1 759	1 785
Profit and loss account		9 482	7 981	8 580
Interest in shares of BHP Billiton	1, 6	(25)	(6)	(26)
Equity shareholders' funds	6	13 042	11 486	12 091

The accompanying notes form part of these interim financial statements.

Consolidated Statement of Cash Flows

for the half year ended 31 December 2003

	Half year ended 31 December 2003	Half year ended 31 December 2002	Year ended 30 June 2003
	US$M	US$M	US$M
	2 283	1 819	4 793

Net cash inflow from Group operating activities (a)			
Dividends received from joint ventures and associates	109	70	197
Interest paid	(209)	(158)	(383)
Dividends paid on redeemable preference shares	(12)	(12)	(28)
Interest received	38	6	36
Other dividends received	18	14	15
Dividends paid to minorities	(3)	(20)	(38)
Net cash outflow from returns on investments and servicing of finance	(168)	(170)	(398)
Taxation paid	(543)	(540)	(1 002)
Available cash flow	1 681	1 179	3 590
Purchases of tangible fixed assets	(1 213)	(1 216)	(2 571)
Exploration expenditure	(193)	(130)	(348)
Disposals of tangible fixed assets	62	33	99
Purchase of investments and funding of joint ventures	(23)	(52)	(95)
Sale of investments and repayments by joint ventures (b)	40	165	560
Net cash outflow from capital expenditure and financial investment	(1 327)	(1 200)	(2 355)
Demerger or sale of subsidiaries (b)	-	358	358
Cash transferred on demerger or disposal (b)	-	(86)	(86)

Disposal of joint ventures and associates	6	-	133
Net cash inflow from acquisitions and disposals	6	272	405
Net cash flow before equity dividends paid, management of liquid resources and financing	360	251	1 640
Equity dividends paid	(959)	(830)	(830)
Net cash flow before management of liquid resources and financing	(599)	(579)	810