



**Mick Davis**  
**Chief Executive**

# P&L Summary

(Xstrata stand alone basis)

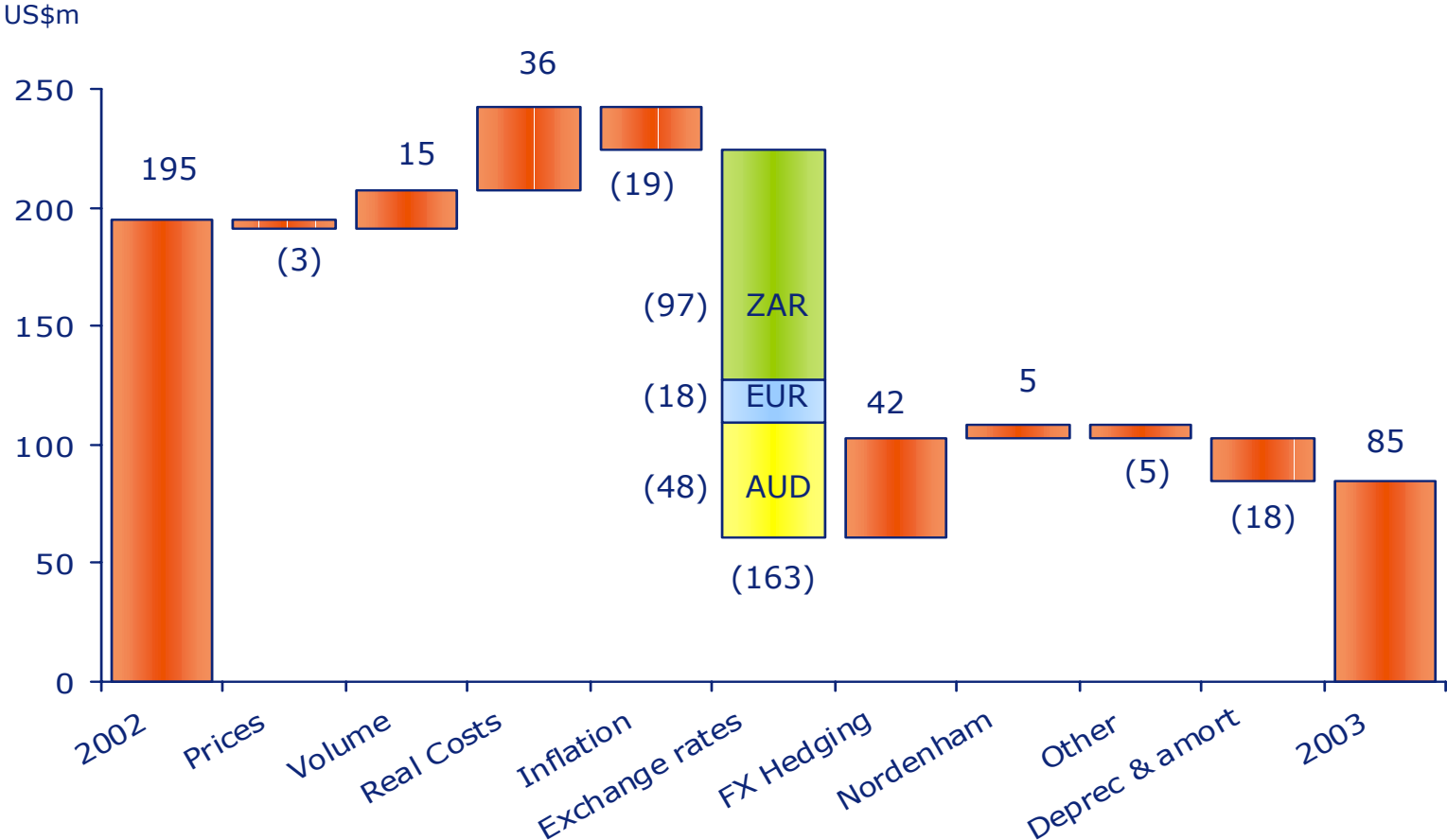


| US\$m                                  | 2003           | 2002   | %      |
|--|----------------|--------|--------|
| Turnover*                              | <b>1,157.1</b> | 957.2  | 20.9   |
| EBITDA (pre-exceptionals)*             | <b>188.2</b>   | 270.3  | (30.4) |
| EBIT (pre-exceptionals)*               | <b>85.0</b>    | 195.1  | (56.4) |
| EBIT                                   | <b>82.1</b>    | 190.9  | (57.0) |
| Tax                                    | 7.4            | (45.7) | 116.2  |
| Minority interests                     | <b>(0.7)</b>   | (6.4)  | 89.1   |
| Attributable profit (pre-exceptionals) | <b>76.8</b>    | 112.9  | (32.0) |
| Attributable profit                    | <b>75.2</b>    | 112.9  | (33.4) |

\* Excludes discontinued operations (Magnesium)

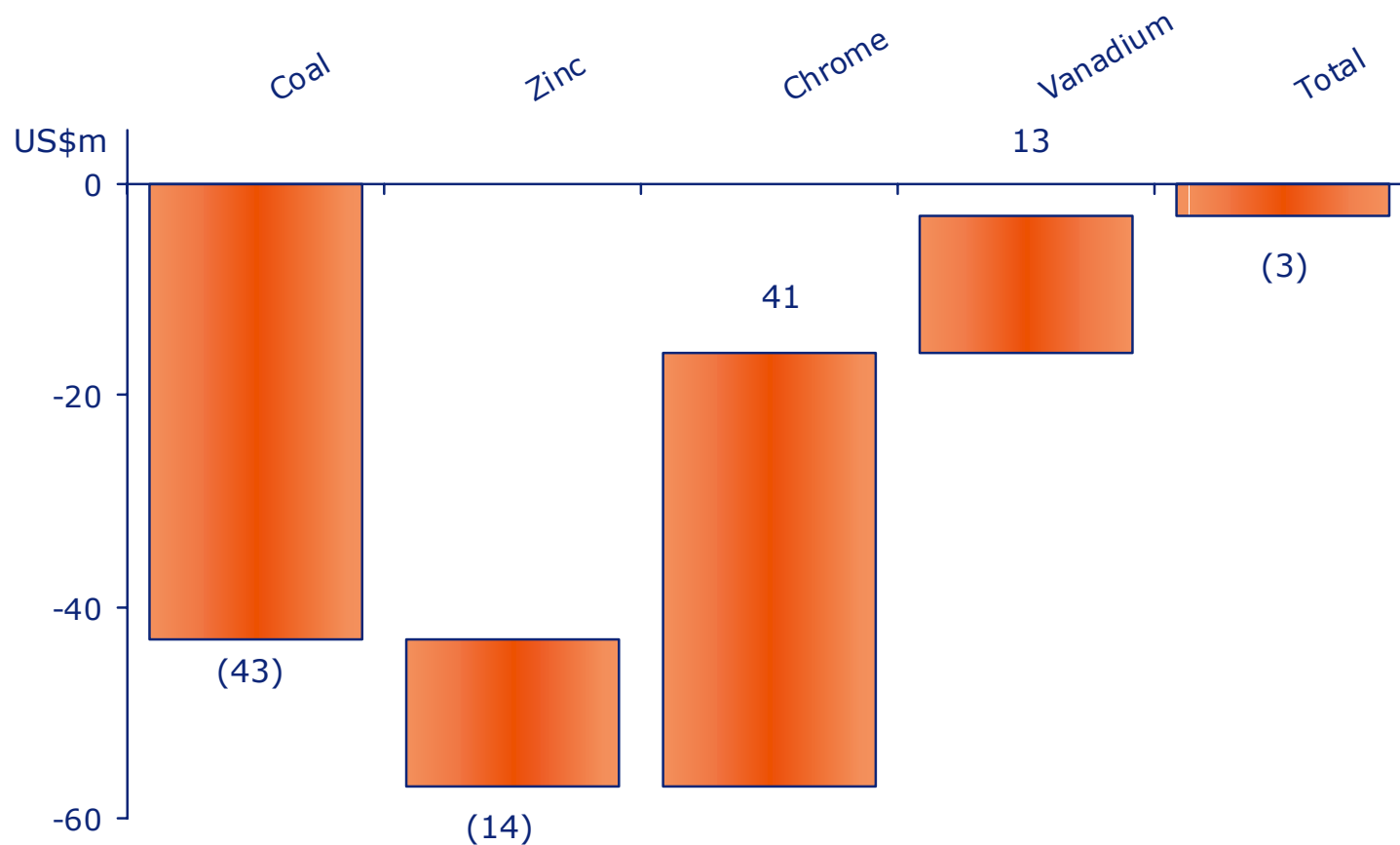
# EBIT Variance

(pre-exceptionals & excludes discontinued operations)



# EBIT Commodity Price Variance

(Xstrata statutory)



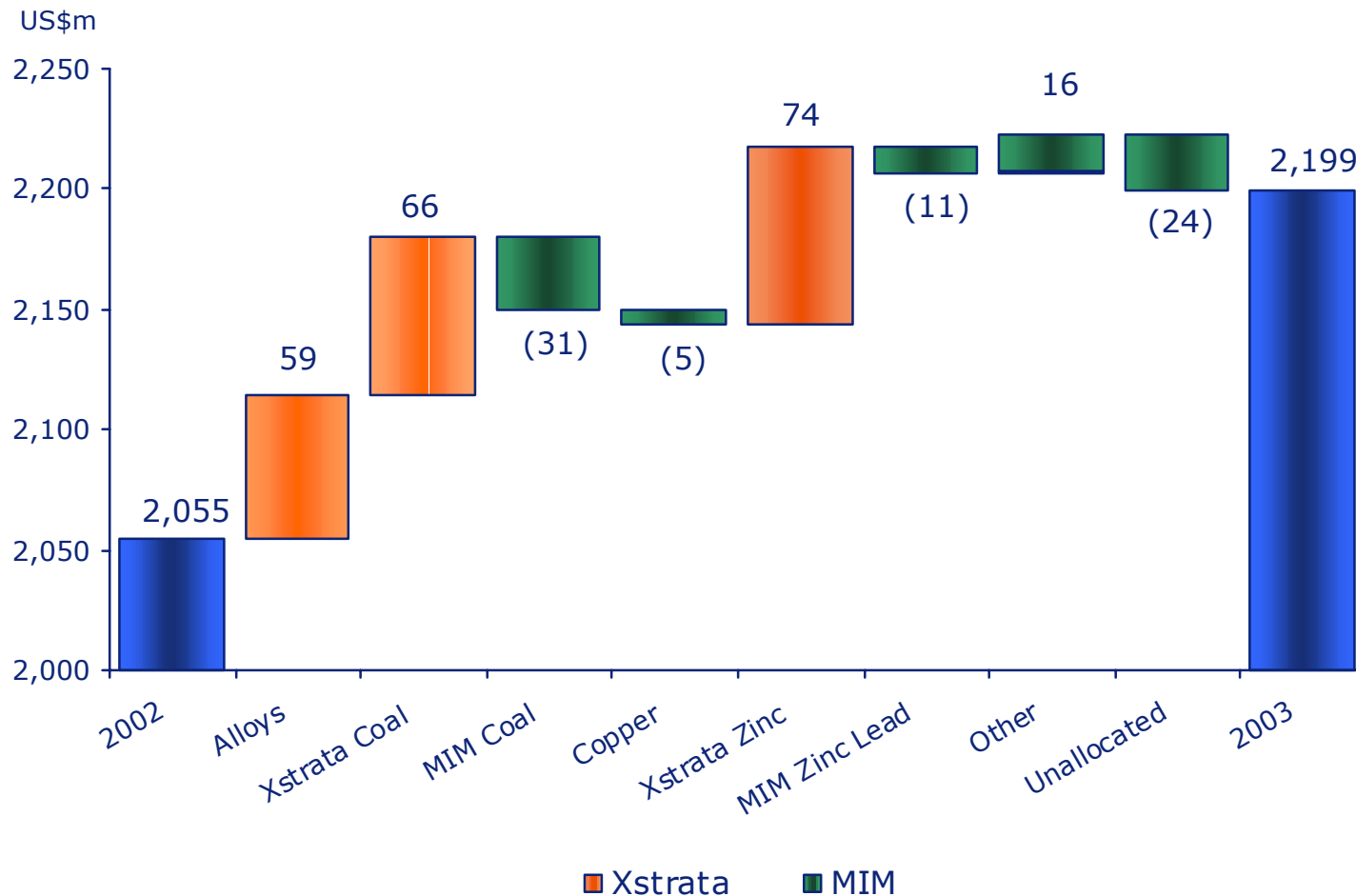


**Trevor Reid**  
**Chief Financial Officer**

## Basis of Financial Information

- Financial information presented on a proforma basis
- Adjustments have been made to align MIM to Xstrata for accounting policies and reporting under UK GAAP
- Assets, liabilities and FX hedge book re-stated to their fair value at 1 January 2002 for the 2002 proforma accounts
- Strengthening AUD necessitated write back against the hedge book provision, with net gain of US\$26 million included in 2002 unallocated income
- 2003 proforma MIM results presented at spot. MIM FX hedge book was effectively “at the money” at acquisition date. Consequently no statutory fair value adjustment required in 2003 accounts.

# Turnover Variance



# Turnover

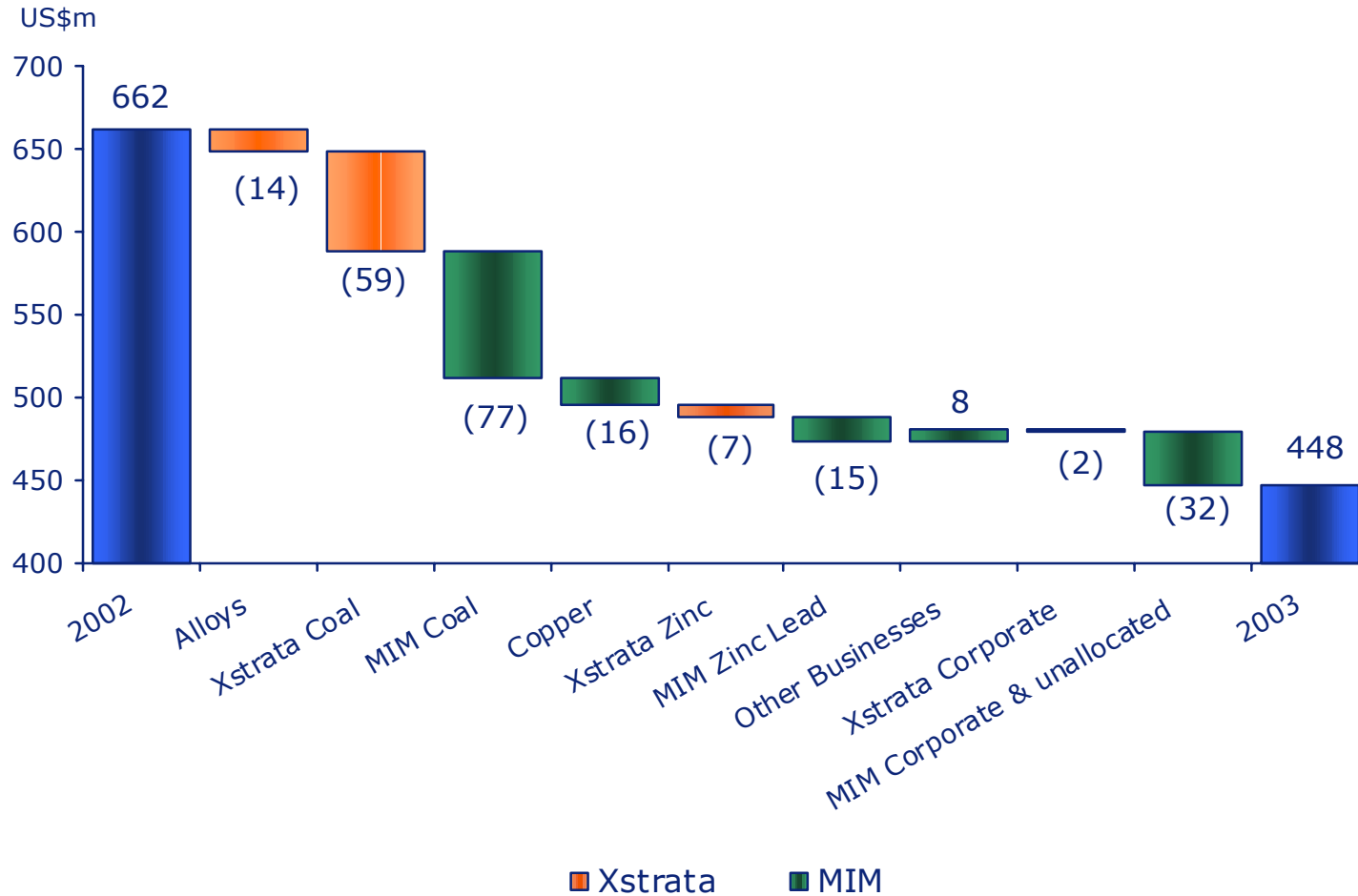
(pre-exceptionals and excludes discontinued operations)



| US\$m                | 2003           | 2002    | %      |
|----------------------|----------------|---------|--------|
| Alloys               | <b>233.7</b>   | 174.8   | 33.7   |
| Coking Australia     | <b>163.6</b>   | 169.5   | (3.5)  |
| Thermal Australia    | <b>541.4</b>   | 512.5   | 5.6    |
| Thermal South Africa | <b>198.2</b>   | 185.9   | 6.6    |
| Coal                 | <b>903.2</b>   | 867.9   | 4.1    |
| Americas             | <b>265.1</b>   | 291.7   | (9.1)  |
| Australia            | <b>277.9</b>   | 256.7   | 8.3    |
| Copper               | <b>543.0</b>   | 548.4   | (1.0)  |
| Zinc Lead            | <b>478.2</b>   | 415.8   | 15.0   |
| Other Businesses     | <b>40.1</b>    | 23.5    | 70.6   |
| Unallocated          | <b>0.7</b>     | 24.7    | (97.2) |
| Total                | <b>2,198.9</b> | 2,055.1 | 7.0    |

# EBITDA

(pre-exceptionals & excluding discontinued operations)



# EBITDA

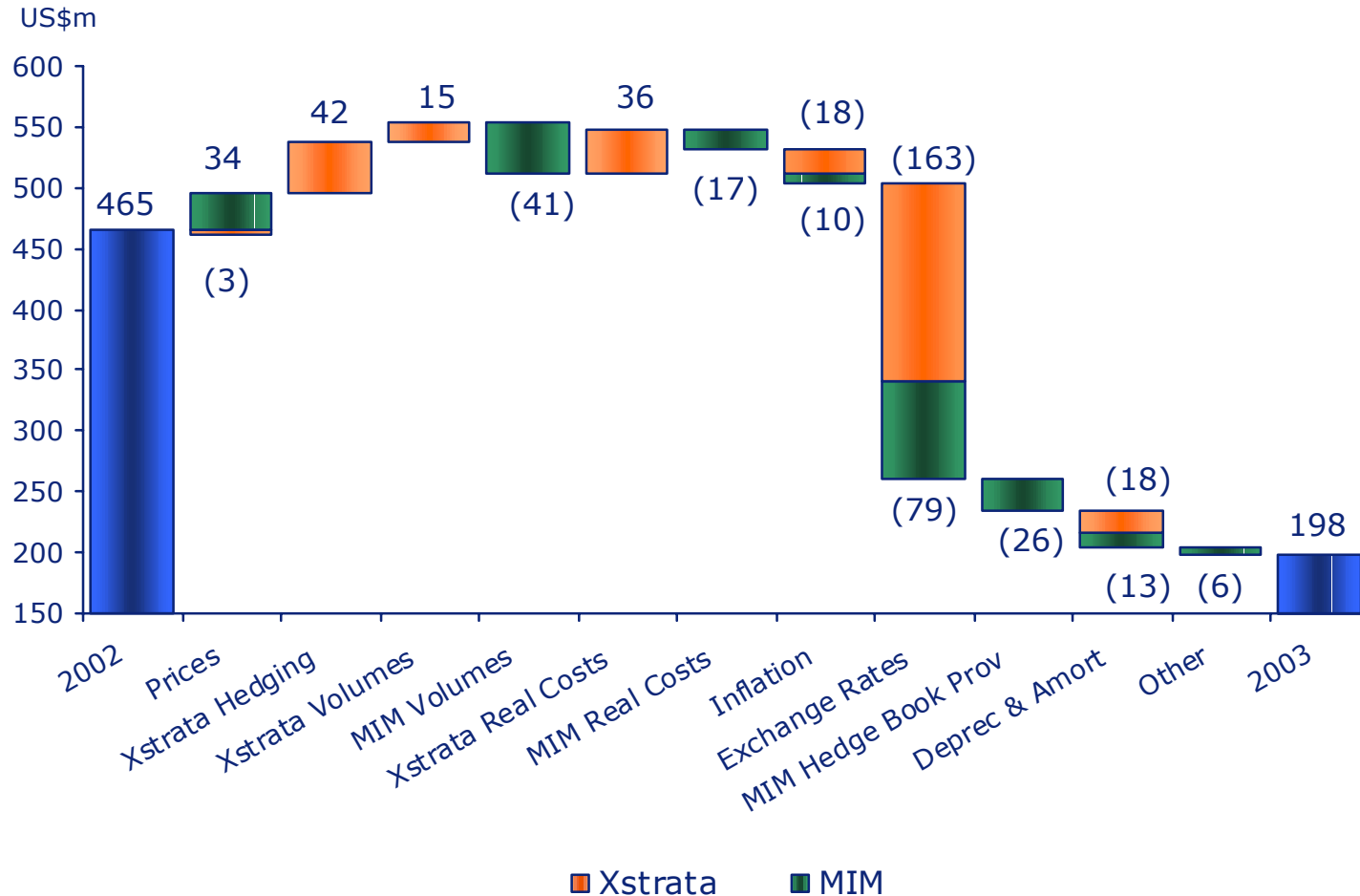
(pre-exceptionals and excludes discontinued operations)



| US\$m                        | 2003          | 2002  | %      |
|------------------------------|---------------|-------|--------|
| Alloys                       | <b>23.0</b>   | 37.3  | (38.3) |
| Coking Australia             | <b>36.9</b>   | 74.4  | (50.4) |
| Thermal Australia            | <b>102.6</b>  | 155.3 | (33.9) |
| Thermal South Africa         | <b>30.8</b>   | 77.0  | (60.0) |
| Coal                         | <b>170.3</b>  | 306.7 | (44.5) |
| Americas                     | <b>149.4</b>  | 137.7 | 8.5    |
| Australia                    | <b>78.8</b>   | 106.6 | (26.1) |
| Copper                       | <b>228.2</b>  | 244.3 | 6.6    |
| Zinc Lead                    | <b>46.5</b>   | 68.8  | (32.4) |
| Other Businesses             | <b>7.4</b>    | (0.6) | -      |
| Corporate, unallocated costs | <b>(27.8)</b> | 5.8   | -      |
| Total                        | <b>447.6</b>  | 662.3 | (32.4) |

# EBIT Variance

(pre-exceptionals & excluding discontinued operations)



# EBIT

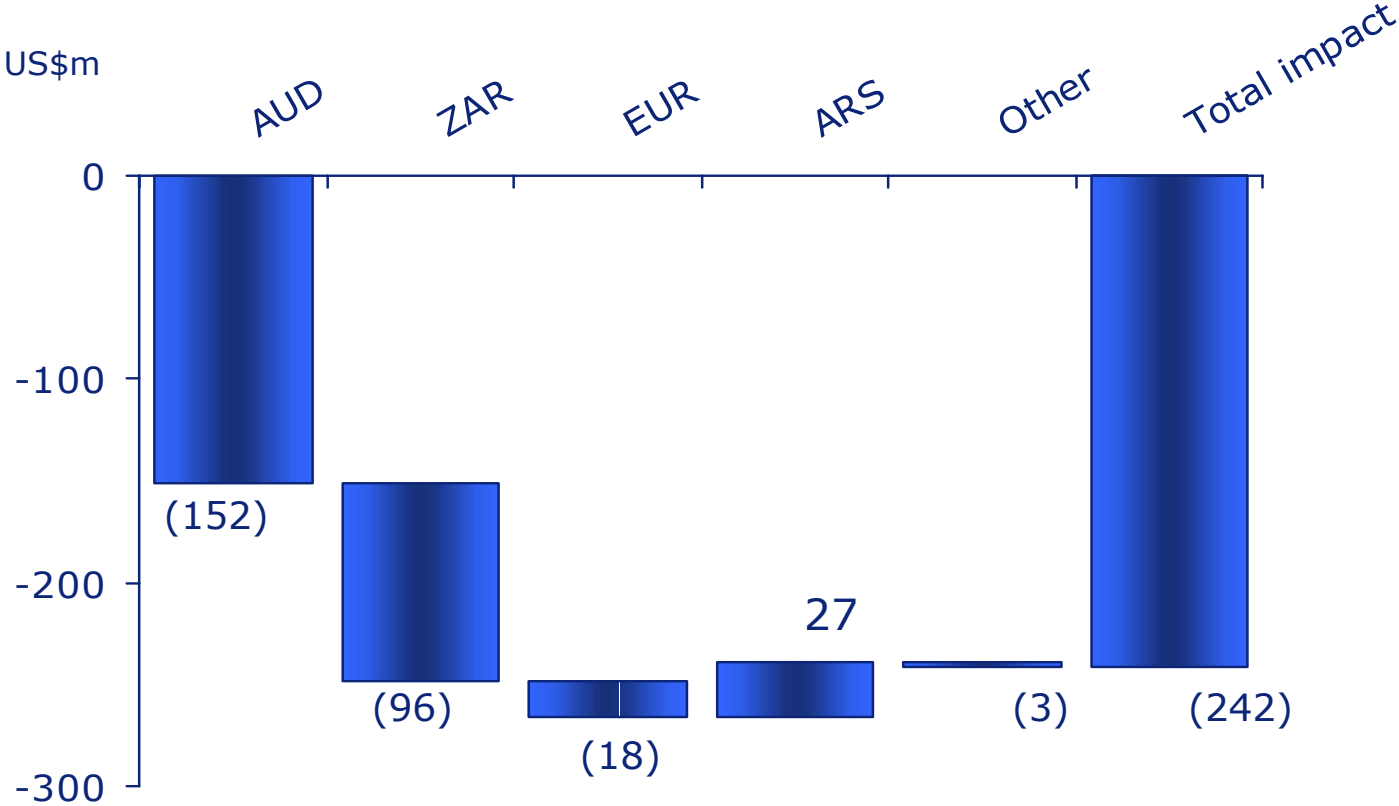
(pre-exceptionals and excludes discontinued operations)



| US\$m                        | 2003          | 2002  | %      |
|------------------------------|---------------|-------|--------|
| Alloys                       | <b>12.0</b>   | 33.4  | (64.1) |
| Coking Australia             | <b>14.1</b>   | 65.5  | (78.5) |
| Thermal Australia            | <b>39.0</b>   | 113.0 | (65.5) |
| Thermal South Africa         | <b>12.0</b>   | 59.1  | (79.7) |
| Coal                         | <b>65.1</b>   | 237.6 | (72.6) |
| Americas                     | <b>88.6</b>   | 85.8  | 3.3    |
| Australia                    | <b>47.1</b>   | 70.0  | (32.7) |
| Copper                       | <b>135.7</b>  | 155.8 | (12.9) |
| Zinc Lead                    | <b>10.0</b>   | 34.8  | (71.3) |
| Other Businesses             | <b>3.7</b>    | (1.4) | -      |
| Corporate, unallocated costs | <b>(28.5)</b> | 4.9   | -      |
| Total                        | <b>198.0</b>  | 465.1 | (57.4) |

# EBIT Currency Impacts

H103 v's H102 – Exchange Rates on Costs



# MIM Acquisition Funding

| US\$m   | 2003         |
|---|--------------|
| Net proceeds for shares issued to the market *      | <b>1,396</b> |
| Net proceeds of amended syndicated loan facility ** | <b>686</b>   |
| Cash on hand  | <b>7</b>     |
| Consideration paid for MIM Group                    | <b>2,089</b> |
| Net debt assumed                                    | <b>1,181</b> |
| Enterprise Value                                    | <b>3,270</b> |

Note:

\* Includes Sterling hedging loss of US\$96 million

\*\* Includes Australian dollar hedging gains of US\$229 million

# Net Debt

| US\$m                | <b>30.06.03</b> | 31.12.02 |
|----------------------|-----------------|----------|
| Cash                 | <b>161</b>      | 89       |
| External borrowings  | <b>(2,814)</b>  | (672)    |
| Arrangement fees     | <b>46</b>       | 27       |
| Finance leases       | <b>(64)</b>     | (18)     |
| <b>Net debt</b>      | <b>(2,671)</b>  | (574)    |
| Net debt to equity % | <b>47.3%</b>    | 16.1%    |

- Includes 100% of Alubrera net debt of US\$255 million
- Gearing above targets at 30 June 2003
- US\$600 million Guaranteed Convertible Bonds due 2010 issued 15 August 2003

# Operating Cash Flow

| US\$m                                       | 2003       |
|---|------------|
| <b>EBITDA</b> (pre-exceptionals)            | <b>443</b> |
| Stocks                                      | (39)       |
| Debtors                                     | (62)       |
| Creditors, provisions & other               | (44)       |
| <b>Net cash inflow from operations</b>      | <b>298</b> |
| Net interest payable and similar items      | (74)       |
| Taxation                                    | (20)       |
| <b>Cash flow before capital expenditure</b> | <b>204</b> |
| Sustaining capital expenditure              | (100)      |
| <b>Free cash flow</b>                       | <b>104</b> |
| Expansionary capital expenditure            | (92)       |
| <b>Cash flow post capital expenditure</b>   | <b>12</b>  |

# Taxation

- Utilisation of Australian fiscal consolidation regime resulting a beneficial “step up” of MIM fixed asset values
- Conservative approach taken to recognition of deferred tax assets in relation to tax losses
- Effective tax rate pre-exceptionals was 14.2% against 15.6% in 2002
- Tax charge not expected to exceed 20% for the year

# Dividend



- Directors have declared a dividend of 6.7 US cents per share
- Interim dividends reflect one third of expected full year dividend
- Dividend is consistent with 2002 implied dividend after Rights Issue adjustment
- Record date 26 September 2003
- Payment date 17 October 2003

# EBIT Sensitivities

| US\$m                             | <b>Impact<br/>H2 03*</b> | Indicative<br>full year** |
|-----------------------------------|--------------------------|---------------------------|
| US1c/lb movement Ferrochrome      | 4.8                      | 11.3                      |
| US\$1/t movement Aus Coking Coal  | -                        | 7.9                       |
| US\$1/t movement Aus Thermal Coal | 4.0                      | 33.7                      |
| US\$1/t movement SA Thermal Coal  | 1.2                      | 13.6                      |
| US1c/lb movement Copper           | 4.8                      | 9.8                       |
| US1c/lb movement Zinc             | 4.5                      | 9.1                       |
| US1c/lb movement Lead             | 2.3                      | 4.8                       |
| 10% movement AUD                  | 12.4                     | 199.8                     |
| 10% movement EUR                  | 13.9                     | 24.0                      |
| 10% movement ZAR                  | 34.0                     | 60.7                      |

\* After impact of hedging, contracted and priced sales

\*\* Assuming current volumes and no hedging

## MIM Acquisition

- Strategic rationale for the acquisition covered previously; affirmation that MIM acquisition fully meets criteria set out for shareholders
- Results of MIM Group foreshadowed by MIM Board profit warning on 19 May 2003
- Particularly poor operational performance at MIM's coking coal, with profit down 78% period-on-period



**Peter Coates**

**Chief Executive, Xstrata Coal**

# MIM Coal – Organisational Issues



- Focus on volume growth, with strategy to double production in 5 years
- Mine planning and marketing designed to meet growth strategy not value maximisation
- Management systems complex not well integrated with budget
- Drive for growth reflected in capital expenditure

# MIM Coal – Specific Issues

## Oaky Creek

- Frictional Ignition (4 events, 02-03)
  - Lack of long-term management plans
  - Absence of methane drainage as a control for frictional ignition
- Strata Management (Oaky North roof fall 26th June)
  - No trigger response plans for gate roads on longwall retreats
- Oaky No. 1 longwall relocation
  - 1 week overdue at 1 July

# Initiatives – Short Term

| Initiative   | Status   |
|--|----------|
| Take control of the business <ul style="list-style-type: none"> <li>• New senior management</li> </ul>   | Complete |
| Restore Oaky Creek Production Capacity <ul style="list-style-type: none"> <li>• Recover Oaky North Strata</li> <li>• Establish an acceptable short-term frictional ignition management plan for Oaky No. 1</li> </ul>          | Complete |
| Implementation of Xstrata financial, management and risk controls  | Complete |
| Define accountability for operations <ul style="list-style-type: none"> <li>• Simplify structure and no shared services</li> <li>• Mine Managers must own the resources</li> <li>• Redefined objectives and budgets</li> </ul> | Complete |

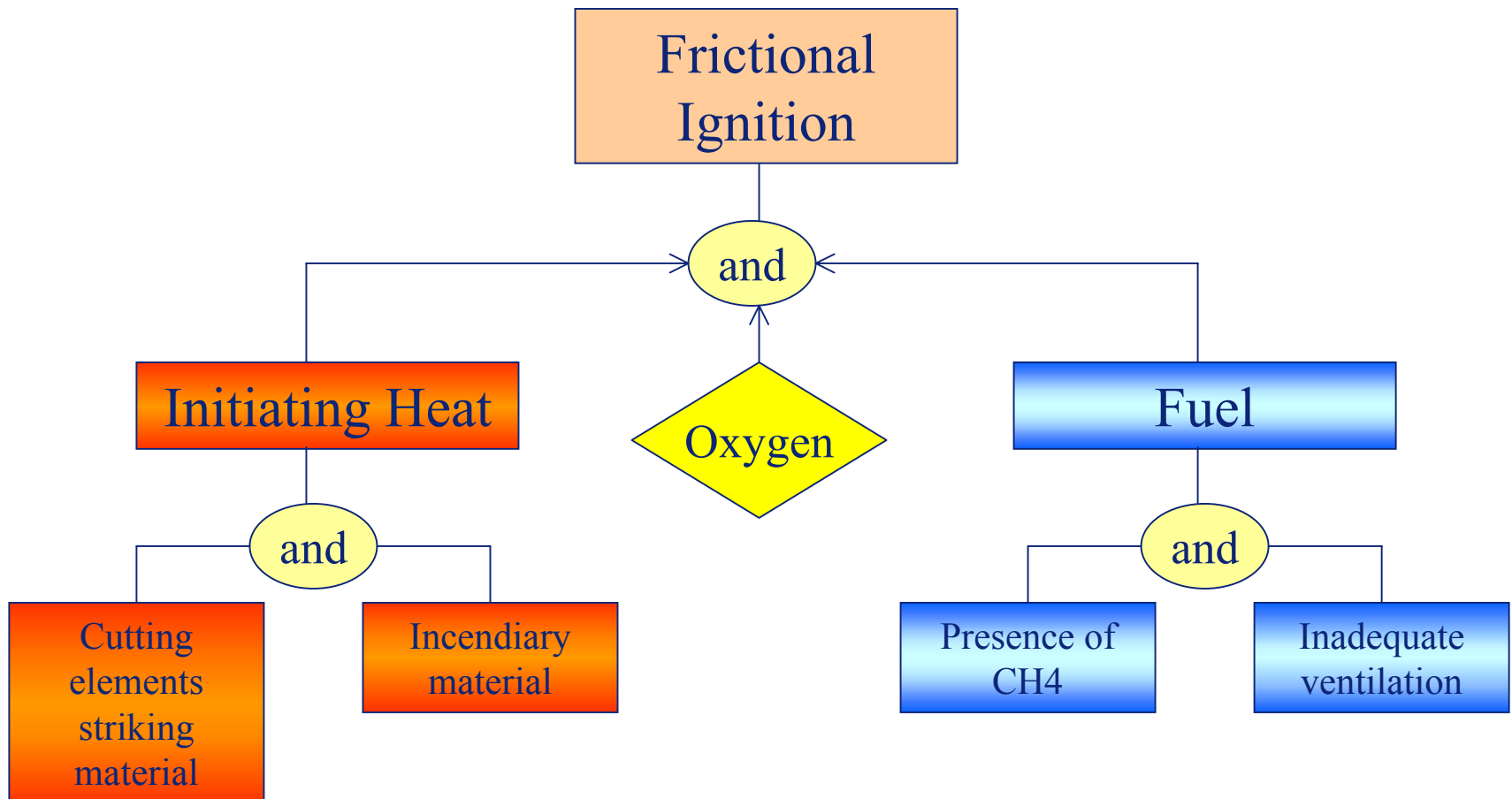
## Initiatives – Short Term (contd)

| Initiative  | Status   |
|---|----------|
| <p>Define accountability for projects</p> <ul style="list-style-type: none"><li>• Review and finalise capital requirements</li><li>• Appointment of project managers</li><li>• Training in standard contract form and management</li></ul>                  | Complete |
| <p>Review short-term mine plan – in light of:</p> <ul style="list-style-type: none"><li>• Thermal market and exchange rate</li><li>• Value not volume</li><li>• Alternate supply options</li><li>• Cost-cutting – pre-strip contractor terminated</li></ul> | Complete |

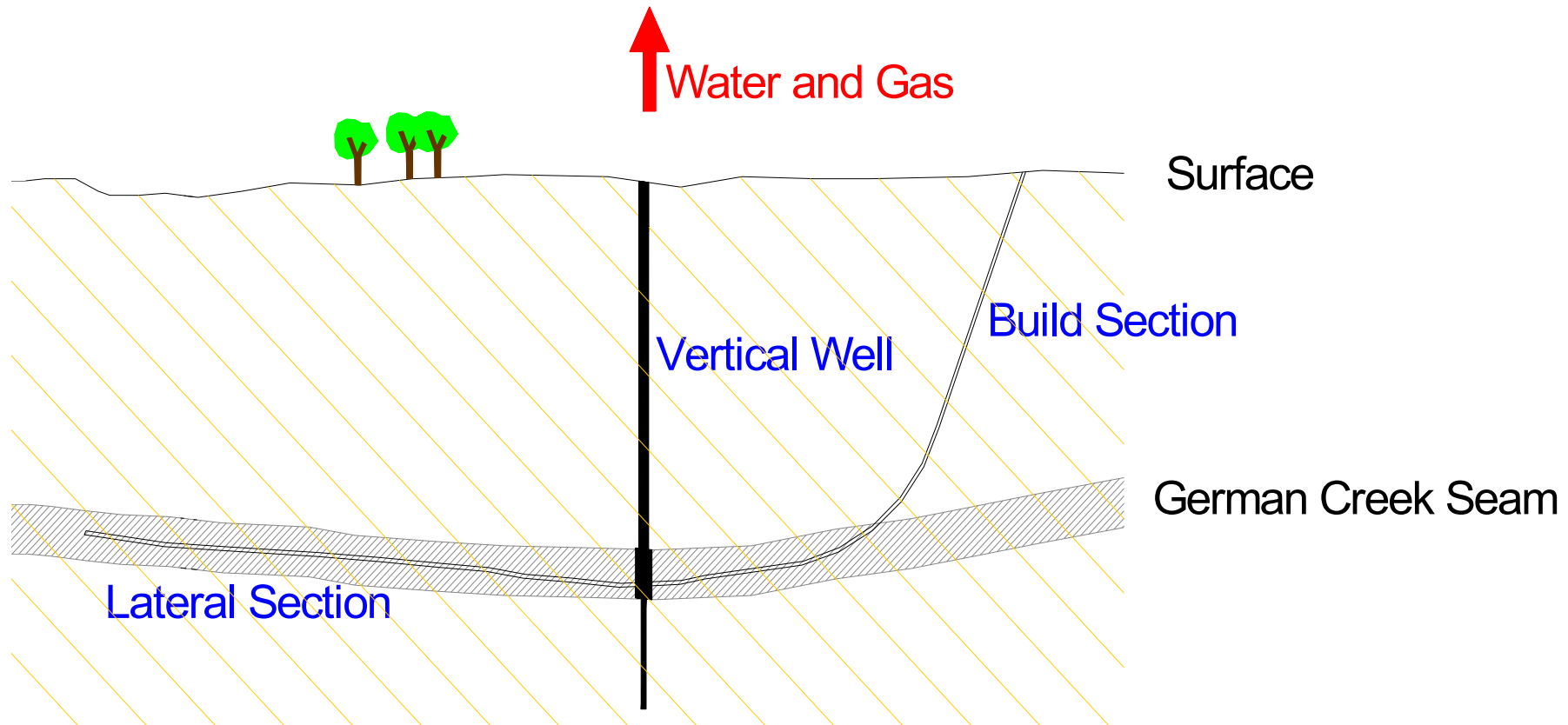
# Initiatives – Medium Term

| Initiative   | Status      |
|--|-------------|
| Medium to long-term frictional ignition management plans for Oaky No.1 & Oaky Nth <ul style="list-style-type: none"> <li>• Methane drainage</li> </ul>   | In Progress |
| Audit of management of major hazards <ul style="list-style-type: none"> <li>• Strata control, gas, spontaneous combustion, ventilation, emergency response, flooding and high/low wall failure</li> </ul>  | In Progress |
| Development of business strategy and 'Life of Mine Plan' <ul style="list-style-type: none"> <li>• Value not volume</li> <li>• Inclusion of Rolleston project into thermal coal equation</li> <li>• Focus on coking coal opportunities</li> </ul> | In Progress |

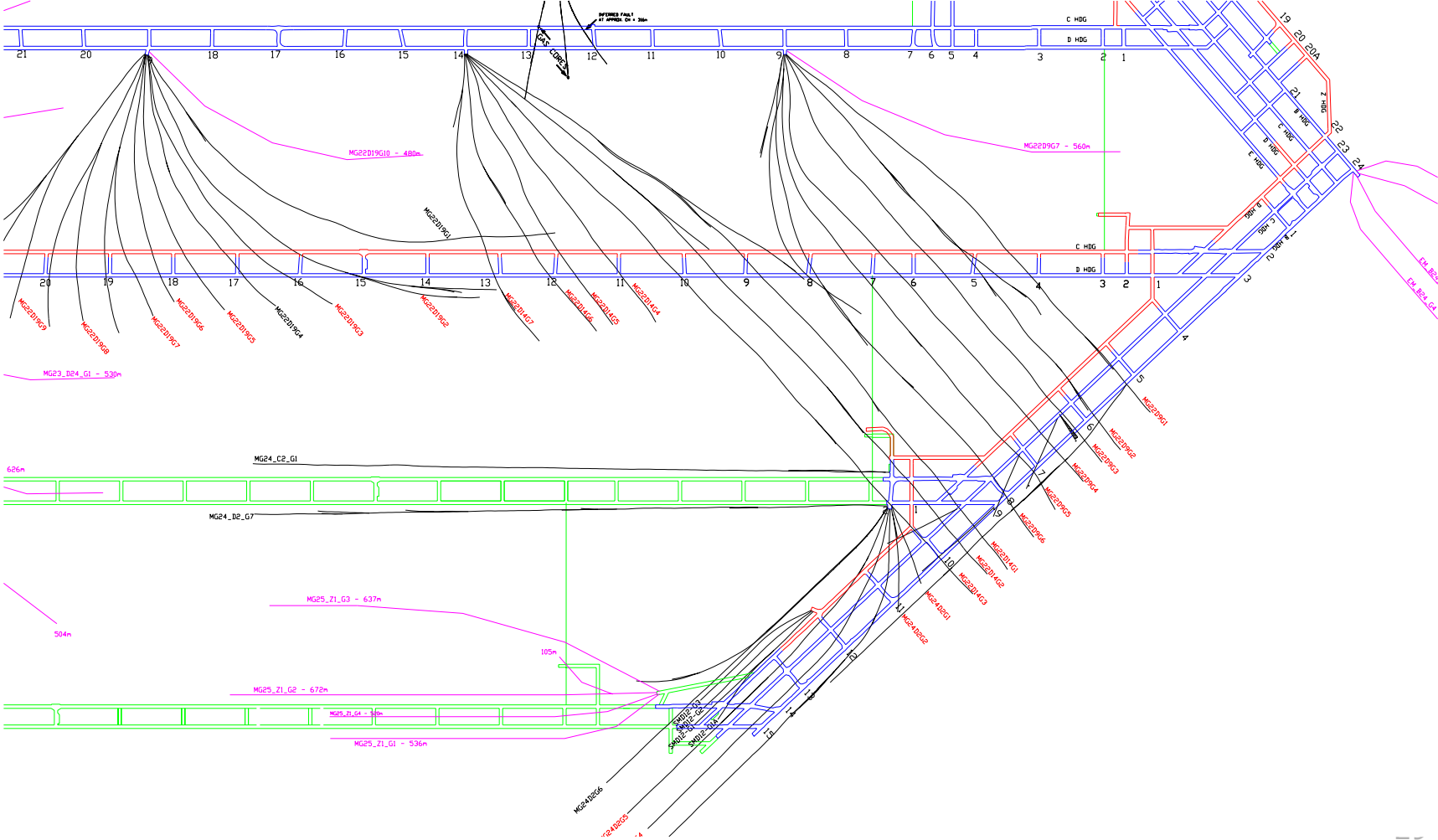
# Causal Factors: Frictional Ignition



# SIS Drainage Schematic



# UIS Drainage Schematic



# Moving Forward Queensland Operations



- Methane drainage already partially effective
  - UIS drainage program in current longwall block
  - SIS program commenced
- Operational reliability achieved by implementation of Xstrata SMS and risk management procedures.
- Simplified management structure
- Accountable budgeting
- Management controls
- Development of a “value focused” business strategy



**Mick Davis**  
**Chief Executive**

# Integration



- Integration progress smoother and quicker than anticipated
  - Formal process complete end-September
  - Assets restructured along commodity lines; roll out of Xstrata Business Principles, policies and procedures
  - MIM Copper assets restructured into two businesses in Australia and Americas
  - MIM Coal business integrated and under new management
  - MIM zinc lead business integrated; Northfleet restructuring underway
  - MIM head office personnel redeployed or retrenched
  - Exploration pared back to more valuable near-mine leases, with closure and disposal programme (US\$2.5m realised)
  - MIM technology activities consolidated under Xstrata Technology, embracing IsaMill, ISASMELT and Jameson Cells
- Tribute to those involved in integration and the men and women of MIM

## Synergy Benefits

- Analysis for transaction assumed US\$45 million of cash savings in 2004 (US\$28m head office and exploration; US\$17m financial structure)
- Confident of higher synergy benefits: US\$38 million on head office/exploration alone. Estimated annual savings of US\$55 million from 2004
- One-off costs associated with synergies (primarily redundancy payments): US\$14 million, by end 2003

## New Group: Projects & Growth



- Portfolio of growth opportunities in MIM
- Fundamental attractiveness of Rolleston affirmed, based on low-cost structure and highly competitive product
- Go ahead given for US\$1.2 million sample pit to secure additional key contracts
- Rolleston decision after test process complete
- Mount Isa and McArthur River open pit studies combined under one project team in Xstrata Copper Australia, including test work on Albion
- Other opportunities being pursued, including progress on two empowerment transactions in South Africa

# New Group: Portfolio Management



- Partial selldown of former MIM coal for US\$360m
  - 20% interest in Oaky Creek, NCA
  - 25% interest in Rolleston and three other undeveloped thermal projects
  - US\$32.5m deferred until Rolleston approved
- Sale price represents estimated US\$85m surplus over UK GAAP fair value of assets at acquisition
  - Estimated US\$70m exceptional profit in 2003, with balance deferred until Rolleston approved
- Strategic disposal an example of objective pursuit of shareholder value

## Conclusion

- Seamless integration of MIM business
- Ongoing focus on productivity and cost savings
- Outlook for the remainder of year influenced by weak US dollar, base metal prices and short term operational challenges in the former MIM coal assets
- Early, but encouraging signs of recovery in ferrochrome, coal and base metals
- Xstrata well positioned to capture benefit from recovery

# Appendices

# Pro forma P&L Summary

| US\$m                                  | 2003           | 2002    | %      |
|--|----------------|---------|--------|
| Turnover*                              | <b>2,198.9</b> | 2,055.1 | 7.0    |
| EBITDA (pre-exceptionals)*             | <b>447.6</b>   | 662.3   | (32.4) |
| EBIT (pre-exceptionals)*               | <b>198.0</b>   | 465.1   | (57.4) |
| EBIT                                   | <b>192.0</b>   | 380.2   | (49.5) |
| Net interest                           | <b>(64.8)</b>  | (59.7)  | (8.5)  |
| Tax                                    | <b>(18.3)</b>  | (59.4)  | 69.2   |
| Minority interests                     | <b>(29.1)</b>  | (59.9)  | 51.4   |
| Attributable profit (pre-exceptionals) | <b>81.4</b>    | 261.8   | (68.9) |
| Attributable profit                    | <b>79.8</b>    | 201.2   | (60.3) |
| Earnings per share (US\$)              | <b>0.13</b>    | 0.42    | (69.0) |
| pre-exceptionals                       |                |         |        |
| Earnings per share (US\$)              | <b>0.13</b>    | 0.32    | (59.4) |

\* Excludes discontinued operations (Avonmouth, Duisburg and Magnesium)

## 2002 Pro Forma EBIT Adjustments

| US\$m  | <b>Interim</b> | Prospectus | Difference |
|--|----------------|------------|------------|
| Alloys   | <b>63</b>      | 63         | -          |
| Coal   | <b>416</b>     | 414        | 2          |
| Copper   | <b>288</b>     | 315        | (27)       |
| Zinc Lead  | <b>36</b>      | 47         | (11)       |
| Other businesses   | <b>(3)</b>     | (13)       | 10         |
| Unallocated  | <b>(19)</b>    | (45)       | 26         |
| <b>EBIT (pre-exceptionals &amp; continuing operations)</b> | <b>781</b>     | 781        | -          |

### Explanation of differences:

Coal – non-core businesses allocated

Copper – inconsistent reporting of operating profit during financial year ended 30.06.02

Zinc Lead – silver loan finance costs reclassification now from unallocated

Other businesses – Technology now included

# Alloys – Chrome



| US\$m                                 | <b>2003</b>  | 2002  | %      |
|---------------------------------------|--------------|-------|--------|
| Turnover                              | <b>199.7</b> | 136.0 | 46.8   |
| EBITDA                                | <b>23.6</b>  | 30.7  | (23.1) |
| EBIT                                  | <b>15.8</b>  | 28.0  | (43.6) |
| Margin %                              | <b>7.9%</b>  | 20.6% | (61.6) |
| Return on capital employed %          | <b>9.1%</b>  | 21.7% | (58.1) |
| - Expansionary                        | <b>6.3</b>   | 3.8   | 65.8   |
| - Sustaining                          | <b>0.3</b>   | 0.3   | -      |
| Capital expenditure                   | <b>6.6</b>   | 4.1   | 61.0   |
| Attributable saleable production (kt) | <b>545.8</b> | 435.7 | 25.3   |
| Indicative average price (US\$/lb)*   | <b>37.30</b> | 27.30 | 36.6   |

\* Indicative published prices: Metal Bulletin

# Alloys – Vanadium



| US\$m  | 2003           | 2002   | %       |
|--|----------------|--------|---------|
| Turnover                                       | <b>34.0</b>    | 38.8   | (12.4)  |
| EBITDA   | <b>(0.6)</b>   | 6.6    | (109.1) |
| EBIT   | <b>(3.8)</b>   | 5.4    | (170.4) |
| Margin %                                       | <b>(11.2)%</b> | 13.9%  | (180.6) |
| Return on capital employed %                   | <b>(6.2)%</b>  | 9.2%   | (167.4) |
| -Expansionary                                  | <b>1.6</b>     | 0.5    | 220.0   |
| -Sustaining                                    | <b>0.4</b>     | 0.1    | 300.0   |
| Capital expenditure                            | <b>2.0</b>     | 0.6    | 233.3   |
| Attributable saleable production (kt)          |                |        |         |
| - Vanadium Pentoxide (k lbs)                   | <b>15,951</b>  | 20,393 | (21.8)  |
| - Ferrovanadium (k kg)                         | <b>3,838</b>   | 3,008  | 27.6    |
| Indicative published average prices (US\$/lb)* |                |        |         |
| - Vanadium Pentoxide (US\$/lb)                 | <b>2.23</b>    | 1.25   | 78.4    |
| - Ferrovanadium (US\$/kg)                      | <b>11.52</b>   | 7.27   | 58.5    |

\*Published prices: Metal Bulletin

# Coal



| US\$m                        | 2003         | 2002  | %      |
|------------------------------|--------------|-------|--------|
| - Coking Australia           | <b>163.6</b> | 168.9 | (3.1)  |
| - Thermal Australia          | <b>514.6</b> | 494.6 | 4.0    |
| - Thermal South Africa       | <b>181.4</b> | 174.4 | 4.0    |
| Turnover (own production)    | <b>859.6</b> | 837.9 | 2.6    |
| - Coking Australia           | <b>36.9</b>  | 74.4  | (50.4) |
| - Thermal Australia          | <b>102.6</b> | 155.3 | (33.9) |
| - Thermal South Africa       | <b>30.8</b>  | 77.0  | (60.0) |
| EBITDA                       | <b>170.3</b> | 306.7 | (44.5) |
| - Coking Australia           | <b>14.1</b>  | 65.5  | (78.5) |
| - Thermal Australia          | <b>39.0</b>  | 113.0 | (65.5) |
| - Thermal South Africa       | <b>12.0</b>  | 59.1  | (79.7) |
| EBIT                         | <b>65.1</b>  | 237.6 | (72.6) |
| Margin %                     | <b>7.6%</b>  | 28.4% | (73.2) |
| Return on capital employed % | <b>2.9%</b>  | n/a   | -      |

# Coal



| US\$m                                      | <b>2003</b>  | 2002 | %      |
|--|--------------|------|--------|
| - Expansionary                             | <b>42.1</b>  | 48.8 | (13.7) |
| - Sustaining                               | <b>61.3</b>  | 12.5 | 390.4  |
| Capital expenditure                        | <b>103.4</b> | 61.3 | 68.7   |
| Consolidated production (tonnes, millions) | <b>29.6</b>  | 30.2 | (2.0)  |
| - Coking Australia export                  | <b>3.7</b>   | 4.0  | (7.5)  |
| - Semi-soft Australia export               | <b>3.1</b>   | 2.5  | 24.0   |
| - Thermal Australia export                 | <b>12.4</b>  | 12.3 | 0.8    |
| - Thermal South Africa export              | <b>6.2</b>   | 5.7  | 8.8    |
| - Domestic                                 | <b>5.3</b>   | 4.5  | 17.8   |
| Consolidated sales (tonnes, millions)      | <b>30.7</b>  | 29.0 | 5.9    |
| Average FOB export prices:                 |              |      |        |
| - Queensland coking (US\$/t)               | <b>44.2</b>  | 43.3 | 2.1    |
| - NSW Semi-soft coking (US\$/t)            | <b>30.4</b>  | 33.1 | (8.2)  |
| - Australian thermal (US\$/t)              | <b>25.0</b>  | 28.4 | (12.0) |
| - South African thermal (US\$/t)           | <b>24.1</b>  | 27.4 | (12.0) |

# Copper



| US\$m                        | 2003         | 2002  | %      |
|------------------------------|--------------|-------|--------|
| - Americas                   | <b>265.1</b> | 291.7 | (9.1)  |
| - Australia                  | <b>277.9</b> | 256.7 | 8.3    |
| Turnover                     | <b>543.0</b> | 548.4 | (1.0)  |
| - Americas                   | <b>149.4</b> | 137.7 | 8.5    |
| - Australia                  | <b>78.8</b>  | 106.6 | (26.1) |
| EBITDA                       | <b>228.2</b> | 244.3 | (6.6)  |
| - Americas                   | <b>88.6</b>  | 85.8  | 3.3    |
| - Australia                  | <b>47.1</b>  | 70.0  | (32.7) |
| EBIT                         | <b>135.7</b> | 155.8 | (12.9) |
| Margin %                     | <b>25.0%</b> | 28.4% | (12.0) |
| Return on capital employed % | <b>17.3%</b> | n/a   | -      |
| - Expansionary               | <b>13.9</b>  | 18.3  | (24.0) |
| - Sustaining                 | <b>20.8</b>  | 14.1  | 47.5   |
| Capital expenditure          | <b>34.7</b>  | 32.4  | 7.1    |

# Copper



| US\$m                             | 2003           | 2002    | %      |
|-----------------------------------|----------------|---------|--------|
| Americas:                         |                |         |        |
| Copper in concentrate (t)         | <b>93,310</b>  | 102,228 | (8.7)  |
| Gold in concentrate (oz)          | <b>281,996</b> | 366,424 | (23.0) |
| Gold in dore (oz)                 | <b>28,122</b>  | 33,542  | (16.2) |
| Australia - Ernest Henry:         |                |         |        |
| Copper in concentrate (t)         | <b>54,390</b>  | 51,878  | 4.8    |
| Gold in concentrate (oz)          | <b>66,254</b>  | 65,504  | 1.1    |
| Australia - Mt Isa:               |                |         |        |
| Copper in concentrate             | <b>120,522</b> | 97,898  | 23.1   |
| Anode copper (t)                  | <b>115,293</b> | 117,421 | (1.8)  |
| Other copper (t)                  | <b>34,422</b>  | 25,000  | 37.7   |
| Refined copper (t)                | <b>111,368</b> | 118,637 | (6.1)  |
| Average LME copper price (US\$/t) | <b>1,652</b>   | 1,605   | 2.9    |
| Average LME gold price (US\$/oz)  | <b>350</b>     | 302     | 15.9   |

# Copper



## ASSET

## PRODUCTS

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Alumbrera mine

Copper-gold concentrate

Gold dore

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Mt Isa complex

- X41 Cu mine
- Enterprise Cu mine
- Ernest Henry Cu mine



Copper concentrates

Copper gold concentrate

Mt Isa smelter

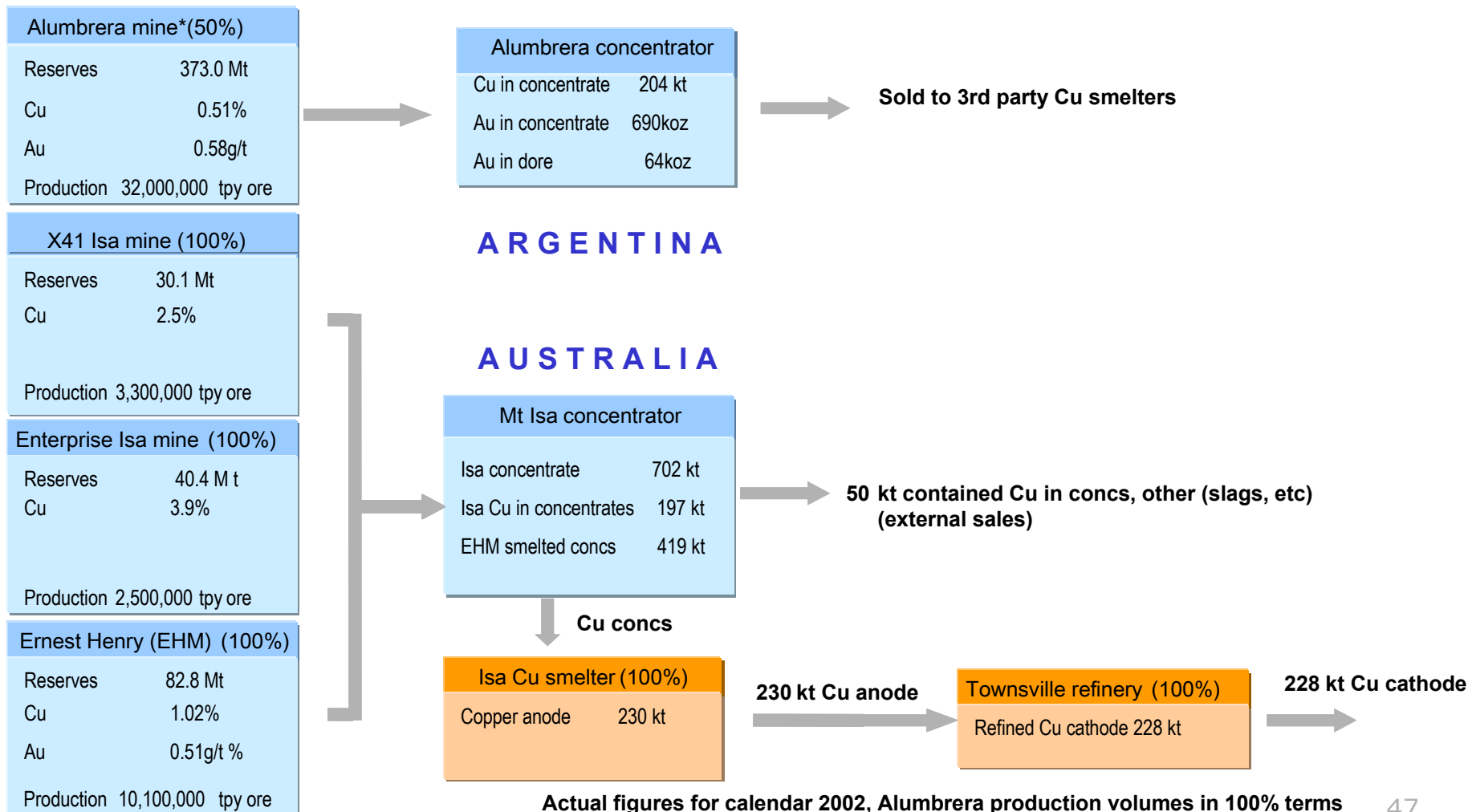
Copper anode

Townsville refinery

Copper cathode

ISAProcess

# Copper



Actual figures for calendar 2002, Alumbreira production volumes in 100% terms

# Zinc Lead

(excluding discontinued operations)



| US\$m            | 2003         | 2002  | %       |
|------------------|--------------|-------|---------|
| - Zinc Australia | <b>99.8</b>  | 91.1  | 9.6     |
| - Zinc Europe    | <b>280.4</b> | 206.6 | 35.7    |
| - Lead Australia | <b>23.1</b>  | 18.2  | 26.9    |
| - Lead Europe    | <b>74.9</b>  | 99.9  | (25.0)  |
| Turnover         | <b>478.2</b> | 415.8 | 15.0    |
| - Zinc Australia | <b>(0.5)</b> | 7.3   | (106.8) |
| - Zinc Europe    | <b>42.3</b>  | 49.3  | (14.2)  |
| - Lead Australia | <b>(3.0)</b> | 1.5   | (300.0) |
| - Lead Europe    | <b>7.7</b>   | 10.7  | (28.0)  |
| EBITDA           | <b>46.5</b>  | 68.8  | (32.4)  |
| - Zinc Australia | <b>(7.0)</b> | 0.3   | -       |
| - Zinc Europe    | <b>21.9</b>  | 32.6  | (32.8)  |
| - Lead Australia | <b>(8.9)</b> | (5.5) | (61.8)  |
| - Lead Europe    | <b>4.0</b>   | 7.4   | (46.0)  |
| EBIT             | <b>10.0</b>  | 34.8  | (71.3)  |

# Zinc Lead

(excluding discontinued operations)



| US\$m                            | 2003         | 2002  | %      |
|----------------------------------|--------------|-------|--------|
| European production:             |              |       |        |
| Zinc – Asturiana (kt)            | <b>234.0</b> | 231.4 | 1.1    |
| Zinc – Nordenham (kt)            | <b>75.8</b>  | -     | -      |
| Lead – Northfleet (kt)           | <b>105.4</b> | 127.6 | (17.4) |
| Silver – Northfleet (m oz)       | <b>5.9</b>   | 7.2   | (18.1) |
| Australian production:           |              |       |        |
| Zinc – Mt Isa (kt)               | <b>88.2</b>  | 91.6  | (3.7)  |
| Lead – Mt Isa (kt)               | <b>83.2</b>  | 94.3  | (11.7) |
| Silver – Mt Isa (m oz)           | <b>7.4</b>   | 8.3   | (10.2) |
| Zinc – McArthur River (kt)       | <b>63.9</b>  | 64.2  | (0.6)  |
| Lead – McArthur River (kt)       | <b>14.2</b>  | 15.5  | (8.7)  |
| Silver – McArthur River (m oz)   | <b>0.6</b>   | 0.6   | -      |
| Average LME Zinc price US\$/t    | <b>780</b>   | 788   | (1.0)  |
| Average LME Lead price US\$/t    | <b>458</b>   | 473   | (3.2)  |
| Average LME Silver price US\$/oz | <b>4.63</b>  | 4.61  | -      |

# Zinc Lead



## ASSET

## PRODUCTS

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Mc Arthur River Mine

Bulk (Zn-Pb) concentrates

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Mt Isa complex

- Isa Zn-Pb mine
- George Fisher/Hilton Zn-Pb mine
- Isa Pb smelter



Zinc concentrates

Lead bullion

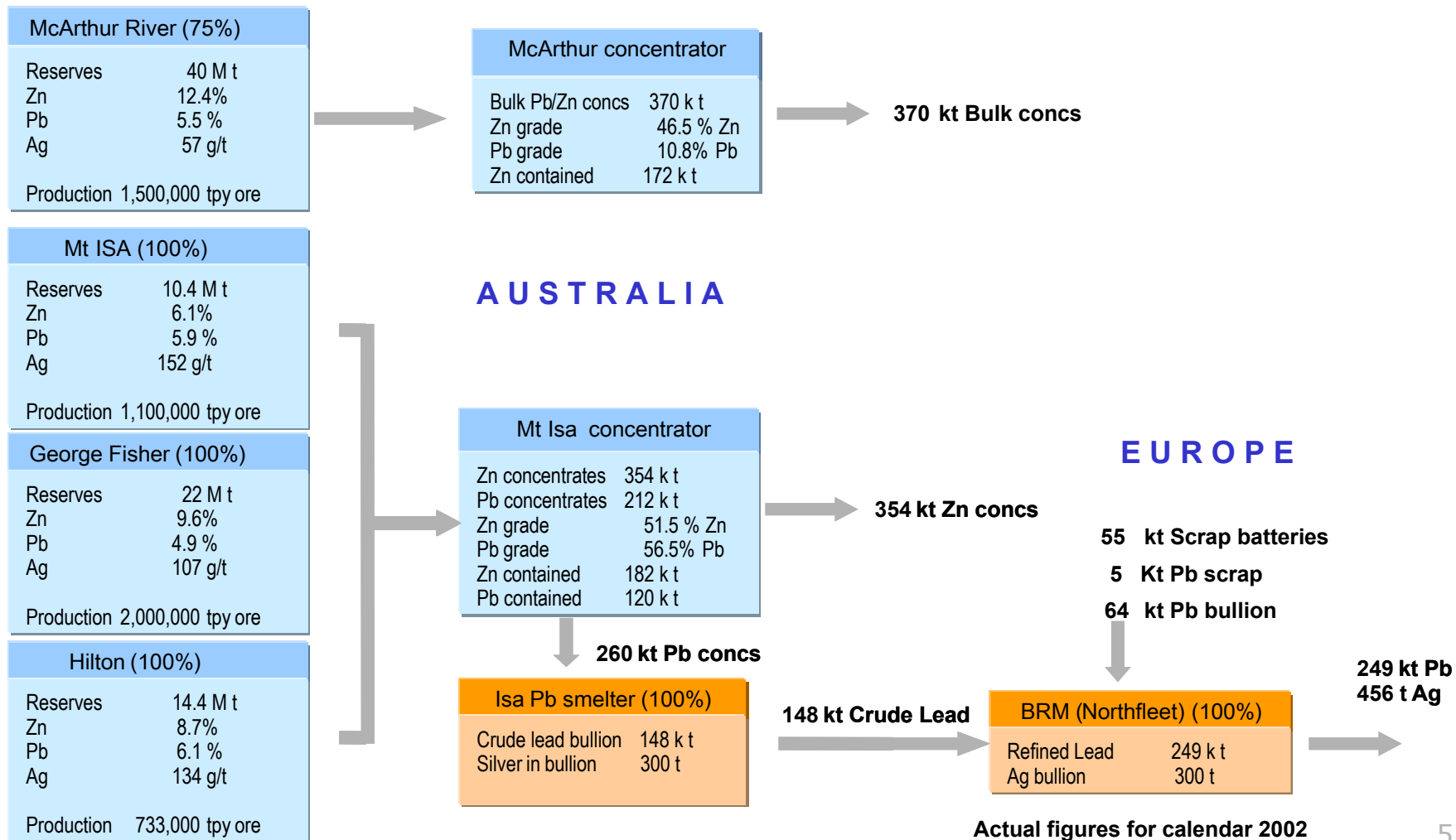
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Northfleet (UK) Pb refinery

Refined lead

Refined silver

# Zinc Lead



# Other Businesses

(pre-exceptionals and exclude discontinued operations)



| US\$m               | 2003        | 2002  | %      |
|---------------------|-------------|-------|--------|
| Turnover            | <b>40.1</b> | 23.5  | 70.6   |
| EBITDA              | <b>7.4</b>  | (0.6) | -      |
| EBIT                | <b>3.7</b>  | (1.4) | -      |
| Capital expenditure | <b>7.1</b>  | 11.6  | (38.8) |
| Production          |             |       |        |
| - Pulplogs (k cbm)  | <b>66.0</b> | 34.6  | 90.7   |
| - Gold (k oz)       | <b>77.6</b> | 25.8  | 201.4  |

# Balance Sheet Summary

| US\$m                                 | <b>30.06.03</b>  | 31.12.02 |
|---------------------------------------|------------------|----------|
| Intangible assets                     | <b>1,192.1</b>   | 1,017.7  |
| Tangible assets                       | <b>7,288.4</b>   | 3,254.7  |
| Investments                           | <b>96.6</b>      | 181.9    |
| <b>Total fixed assets</b>             | <b>8,577.1</b>   | 4,454.3  |
| <b>Net current assets</b>             | <b>704.4</b>     | 209.0    |
| Non-current creditors                 | <b>(2,553.2)</b> | (655.0)  |
| Provision for liabilities and charges | <b>(631.8)</b>   | (251.1)  |
| <b>Net assets</b>                     | <b>6,096.5</b>   | 3,757.2  |
| Minority interests                    | <b>(445.1)</b>   | (191.1)  |
| <b>Attributable net assets</b>        | <b>5,651.4</b>   | 3,566.1  |

# Working Capital

| US\$m           | <b>Statutory<br/>30.06.03</b> | Pro forma<br>31.12.02 |
|-----------------|-------------------------------|-----------------------|
| Stocks          | <b>670</b>                    | 610                   |
| Debtors         | <b>660</b>                    | 616                   |
| Creditors       | <b>(762)</b>                  | (752)                 |
| Working Capital | <b>568</b>                    | 474                   |

- Nordenham zinc smelter is not included in the 31.12.02 figures
- Stock includes long-term stockpiles
- Stocks higher due to exchange movements and increase in ferrochrome
- Higher thermal coal Australia inventories and MIM fair value doubtful debts
- Includes US\$44 million of MIM fair value accruals and provisions

# Capital Expenditure (proforma)

(excludes discontinued operations)



| US\$m        | <b>Expansionary<br/>2003</b> | <b>Sustaining<br/>2003</b> | <b>Total<br/>2003</b> | Expansionary<br>2002 | Sustaining<br>2002 | Total<br>2002 |
|--------------|------------------------------|----------------------------|-----------------------|----------------------|--------------------|---------------|
| Alloys       | <b>7.9</b>                   | <b>0.7</b>                 | <b>8.6</b>            | 4.3                  | 0.4                | 4.7           |
| Coal         | <b>42.1</b>                  | <b>61.3</b>                | <b>103.4</b>          | 36.6                 | 24.7               | 61.3          |
| Copper       | <b>13.9</b>                  | <b>20.8</b>                | <b>34.7</b>           | 18.3                 | 14.1               | 32.4          |
| Zinc Lead    | <b>13.1</b>                  | <b>13.8</b>                | <b>26.9</b>           | 14.3                 | 13.3               | 28.1          |
| Other        | <b>5.1</b>                   | <b>2.0</b>                 | <b>7.1</b>            | 10.3                 | 1.3                | 11.6          |
| Unallocated  | <b>10.3</b>                  | <b>0.9</b>                 | <b>11.2</b>           | 3.8                  | 4.3                | 8.1           |
| <b>Total</b> | <b>92.4</b>                  | <b>99.5</b>                | <b>191.9</b>          | 88.1                 | 58.1               | 146.2         |

# Exchange Rates



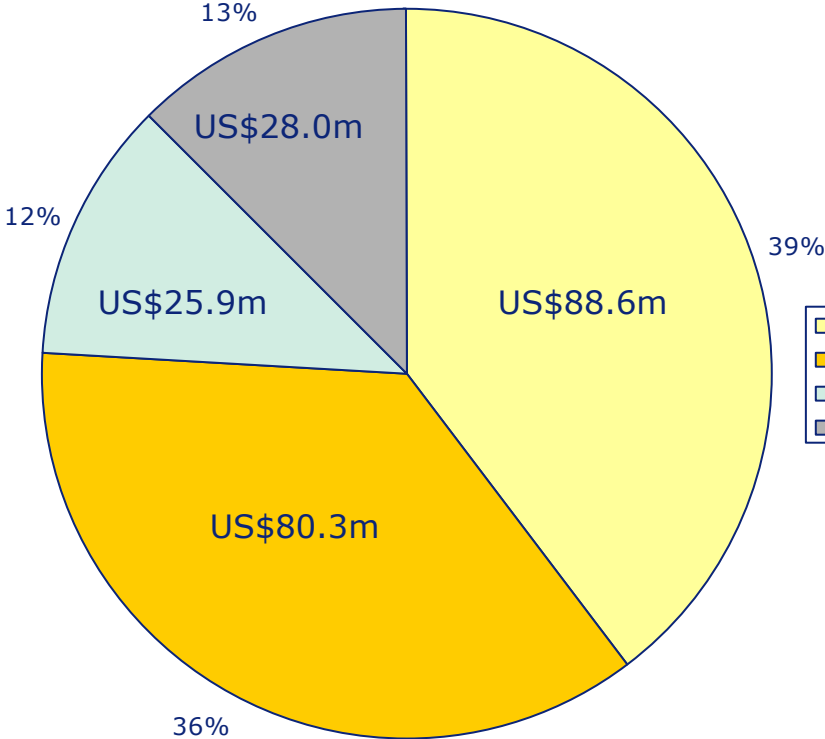
|                    | <b>Average<br/>30.06.03</b> | Average<br>30.06.02 | <b>As at<br/>30.06.03</b> | As at<br>30.06.02 |
|--------------------|-----------------------------|---------------------|---------------------------|-------------------|
| Argentine Peso     | <b>3.0068</b>               | 2.7279              | <b>2.8150</b>             | 3.8600            |
| Australian dollar  | <b>0.6157</b>               | 0.5342              | <b>0.6735</b>             | 0.5626            |
| Euro               | <b>1.1038</b>               | 0.8973              | <b>1.1511</b>             | 0.9916            |
| South African Rand | <b>8.0162</b>               | 10.9797             | <b>7.4704</b>             | 10.2960           |

# Geographical breakdown:

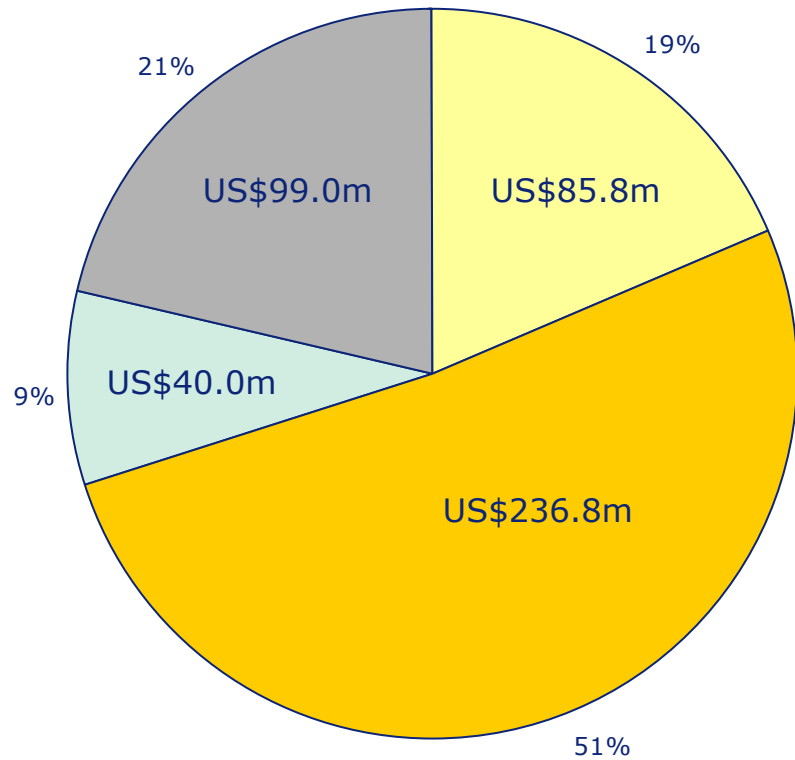
EBIT (pre-exceptionals, excluding discontinued operations, other businesses, corporate and unallocated)



2003



2002

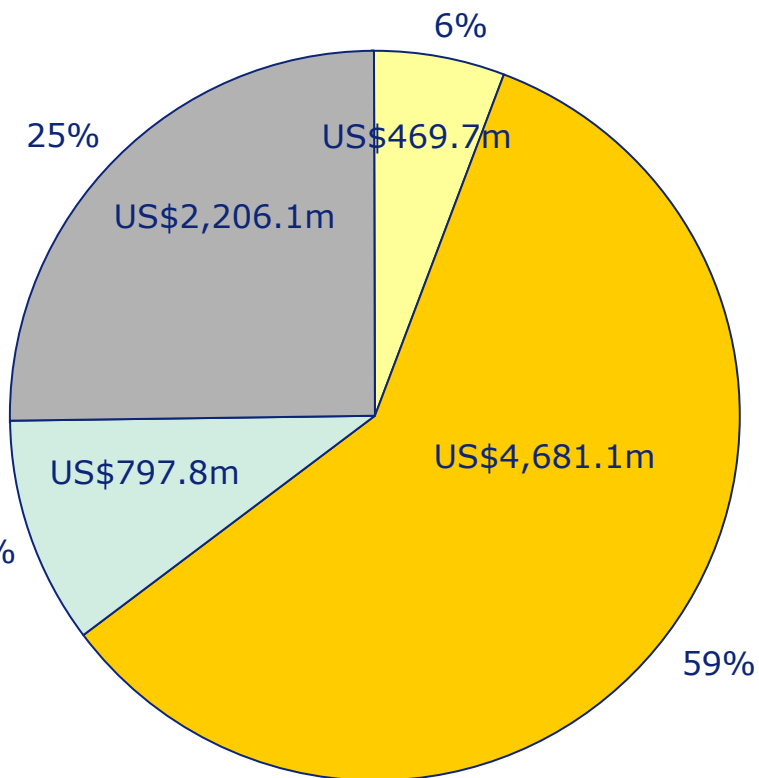


# Geographical breakdown:

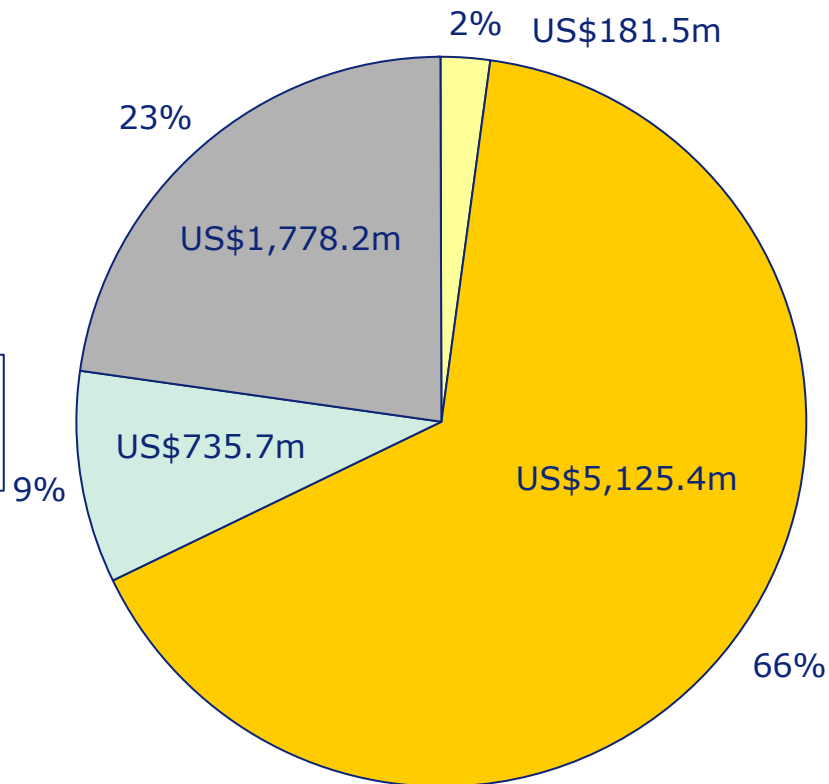
Attributable Net Assets (excluding corporate and unallocated)



At 30 June 2003



At 31 December 2002



- Americas
- Australia
- Europe
- South Africa

# Shares in Issue



|   |                    |
|---|--------------------|
| Weighted Ave Issued Share Capital<br>(used for 2003 proforma eps calculations)  | 628,373,436 shares |
| Weighted Ave Issued Share Capital<br>(used for 2002 proforma eps calculations)  | 628,378,000 shares |
| Weighted Ave Issued Share Capital<br>(used for 2003 statutory eps calculations) | 251,345,353 shares |
| Weighted Ave Issued Share Capital<br>(used for 2002 statutory eps calculations) | 188,423,873 shares |
| Total Issued Share Capital  | 631,502,416 shares |

