

BHP BILLITON PLC
Form 6-K
October 29, 2003

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

30 September 2003

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	<input checked="" type="checkbox"/>		Form 40-F	<input type="checkbox"/>
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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	<input type="checkbox"/>		No	<input checked="" type="checkbox"/>
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If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

BHP Billiton Plc
Financial Statements for the year ended 30 June 2003 (part 2 of 3)

Notes to Financial Statements

continued

14 Tangible fixed assets

		Plant	Other	Assets	Exploration	
	Land and	and	mineral	under	and	
	buildings	equipment	assets	construction	evaluation	Total
	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M
Cost or valuation						
At the beginning of the financial year	2 461	24 788	7 161	2 771	479	37 660
Additions	159	487	94	2 303	141	3 184
Disposals	(43)	(75)	(6)	-	(15)	(139)
Demerger or disposals of subsidiaries	(584)	(4 303)	(367)	(210)	(86)	(5 550)
Exchange variations	12	417	41	-	-	470
Transfers and other movements	255	1 489	(61)	(1 601)	(32)	50
At the end of the financial year	2 260	22 803	6 862	3 263	487	35 675
Depreciation						
At the beginning of the financial year	1 179	13 154	2 800	210	138	17 481
Charge for the year	98	1 230	305	-	13	1 646
Impairments for the year	6	48	-	-	9	63
Disposals	(25)	(34)	(4)	-	(5)	(68)

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Demerger or disposals of subsidiaries	(385)	(2 621)	(367)	(210)	(86)	(3 669)
Exchange variations	10	343	30	-	-	383
Transfers and other movements	48	62	(81)	-	1	30
At the end of the financial year	931	12 182	2 683	-	70	15 866
Net book value at the end of the financial year	1 329	10 621	4 179	3 263	417	19 809
Net book value at the beginning of the financial year	1 282	11 634	4 361	2 561	341	20 179

Included within the net book value of other mineral assets is US\$534 million (2002: US\$530 million) of deferred overburden removal costs.

Included in the additions for exploration and evaluation is US\$100 million (2002: US\$147 million) of capitalised exploration expenditure.

Included within the amounts above for plant and equipment are assets held under finance leases with a net book value of US\$55 million (2002: US\$65 million). Depreciation charged on these assets during the year ended 30 June 2003 totalled US\$9 million (2002: US\$9 million).

Included within the amounts set out above are assets with a net book value of US\$821 million, which has been recorded at a Directors' valuation in prior periods. Under the transitional rules of FRS 15 'Tangible Fixed Assets' which was adopted in the year ended 30 June 1999, these valuations were frozen and effectively treated as the cost of the fixed asset and no further revaluations made. The comparable amount determined according to the historical cost convention is US\$763 million. The additional depreciation charge attributable to the revaluation for 2003 is US\$5 million (2002: US\$5 million).

Included within tangible fixed assets at 30 June 2003 is capitalised interest with a net book value of US\$456 million (2002: US\$362 million).

		Long	
	Freehold	leasehold	Total
	US\$M	US\$M	US\$M
The net book value of land and buildings can be analysed as follows:			

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At 30 June 2003	1 268	61	1 329
At 30 June 2002	1 187	95	1 282

The analysis of tangible fixed assets between categories has been restated from the amounts previously disclosed to better reflect the nature of certain assets.

15 Fixed asset investments

	Investment		Loans			Other	
	in joint	Investment	to joint	Loans to	Own	fixed asset	
	ventures	in	ventures(b)	associates(a)	shares)(c)	investments)(d)	Total
	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M
At the beginning of the financial year	1 468	85	421	67	3	496	2 540
Group share of profits less losses	139	25	-	-	-	-	164
Charge for the year	-	-	-	-	-	(10)	(10)
Additions	41	-	34	-	-	3	78
Transfer on demerger of subsidiaries	-	-	-	-	-	94	94
Disposals	-	(110)	(128)	(67)	(1)	(426)	(732)
Demerger or disposal of subsidiaries	(48)	-	(34)	-	-	(9)	(91)
Dividends received	(197)	-	-	-	-	-	(197)

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At the end of the financial year	1 403	-	293	-	2	148	1 846
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	In aggregate		BHP Billiton Group Share	
	2003	2002	2003	2002
	US\$M	US\$M	US\$M	US\$M
Net assets of joint ventures can be analysed as follows:				
Fixed assets	5 799	5 543	2 152	2 152
Current assets	1 666	1 706	728	750
Liabilities due within one year	(1 101)	(1 302)	(476)	(576)
Liabilities due after more than one year	(2 652)	(2 173)	(1 001)	(858)
Net assets of joint ventures	3 712	3 774	1 403	1 468
Net assets of associates can be analysed as follows:				
Fixed assets	-	880	-	220
Current assets	-	196	-	49
Liabilities due within one year	-	(156)	-	(39)
Liabilities due after more than one year	-	(580)	-	(145)
Net assets of associates	-	340	-	85

	In aggregate			BHP Billiton Group Share		
	2003	2002	2001	2003	2002	2001

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	US\$M	US\$M	US\$M	US\$M	US\$M	US\$M
Profits less losses of joint ventures and associates can be analysed as follows:						
Turnover	4 516	4 252	3 263	1 898	1 872	1 290
Net operating costs	(3 666)	(3 442)	(2 675)	(1 540)	(1 532)	(1 643)
Operating profit/(loss)	850	810	588	358	340	(353)
Profit/(loss) after net interest and taxation	400	520	288	164	225	(468)
Capital commitments				98	116	19

- (a) During the financial year the BHP Billiton Group sold its interest in Minera Alumbrera Limited (refer note 1).
- (b) Loans to joint ventures includes US\$275 million (2002: US\$273 million) that are in the form of cash on deposit, with the banks having an equivalent amount on loan to the joint venture.
- (c) Own shares comprised the shares of BHP Billiton Plc held by the Group's Employee Share Ownership Trusts (refer note 23 for a description of the Trust). At 30 June 2003, 347 498 shares (2002: 659 882) were held by the Trust with a market value at that date of US\$2 million (2002: US\$3 million).
- (d) The BHP Billiton Group has subscribed for shares in a number of listed companies in connection with option arrangements on exploration projects. The consideration has been allocated to the option and has generally been expensed in accordance with the BHP Billiton Group's accounting policy on exploration. These investments therefore have a book value of US\$nil at 30 June 2003 (2002: US\$nil) in the table above and a market value of US\$11 million (2002: US\$11 million). Other listed investments had a book value of US\$72 million (2002: US\$68 million) and a market value of US\$77 million (2002: US\$82 million).

16 Stocks

	2003	2002
	US\$M	US\$M
Raw materials and consumables	356	349
Work in progress	384	434
Finished goods	639	674

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	1 379	1 457
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17 Debtors

	2003	2002
	US\$M	US\$M
Amounts due within one year		
Trade debtors	1 467	1 643
less	(5)	(13)
Provision for doubtful debts		
Tax recoverable	13	20
Employee Share Plan loans (a)	2	71
Other debtors (b)	624	737
less	(6)	(3)
Provision for doubtful debts		
Prepayments and accrued income	129	99
	2 224	2 554
Amounts due after one year		
Deferred tax	447	480
Employee Share Plan loans (a)	69	64
Other debtors (b)	535	371
Pension prepayments (refer note 27)	270	224
Other prepayments and accrued income	84	58
	1 405	1 197
	3 629	3 751

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(a) Under the terms of the BHP Billiton Limited Employee Share Plan, shares have been issued to employees for subscription at market price less a discount not exceeding 10 per cent. Interest free employee loans are available to fund the purchase of such shares for a period of up to 20 years repayable by application of dividends or an equivalent amount.

(b) Other debtors includes receivables from joint venture arrangement cash calls, indirect taxes and other long-term financing and reimbursement arrangements.

18 Current asset investments

	2003	2002
	US\$M	US\$M
Unlisted investments (a)(b)	143	117
	143	117

(a) Unlisted investments include US\$104 million (2002: US\$61 million) held by the Ingwe Environmental Trust Fund. The future realisation of these investments is intended to fund environmental obligations relating to the eventual closure of Ingwe's mines and consequently these investments, whilst under BHP Billiton Group control, are not available for the general purposes of the BHP Billiton Group. All income from these investments is reinvested or spent to meet these obligations. The BHP Billiton Group retains responsibility for these environmental obligations until such time as the former mine sites have been rehabilitated in accordance with the relevant environmental legislation. These obligations are therefore included under provisions for liabilities and charges (refer note 21).

(b) Unlisted investments include US\$39 million (2002: US\$49 million) relating to the BHP Billiton Group's self insurance arrangements. These investments are held for the benefit of the BHP Billiton Group but are not available for the general purposes of the BHP Billiton Group.

19 Creditors - amounts falling due within one year

	2003	2002
	US\$M	US\$M
Bank overdrafts	21	509
Unsecured bank loans (current portion of long-term loans)	230	154
Unsecured bank loans (other short-term loans)	371	197
Total current portion of bank loans and overdrafts	622	860
Debentures	150	706

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Secured debt (limited recourse) (refer note 20)	28	35
Unsecured debt (non-recourse)	44	173
Secured debt (non-recourse)	34	-
Commercial paper (a)	138	849
Finance leases	4	2
Other unsecured borrowings	16	21
Other secured borrowings	-	141
Total current portion of debentures and other borrowings	414	1 927
Total borrowings falling due within one year	1 036	2 787
Trade creditors	1 398	1 243
Corporation taxes	322	513
Social security	1	1
Other taxes	36	110
Other creditors and accruals	832	1 081
Deferred income	114	92
Dividends payable	468	402
	4 207	6 229

(a) In accordance with FRS 4 'Capital Instruments', all commercial paper is classified as short-term borrowings though it is backed by medium term facilities. Under US GAAP, this amount would be grouped with non-current borrowings at 30 June 2003 and 30 June 2002. The maturity of US\$138 million (2002: US\$849 million) of the commercial paper included above as due within one year can be extended beyond one year at the BHP Billiton Group's option.

20 Creditors - amounts falling due after more than one year

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	2003	2002
	US\$M	US\$M
Unsecured bank loans	97	1 345
Total non-current portion of bank loans	97	1 345
Debentures	4 145	2 366
Secured debt (limited recourse) (a)	478	414
Unsecured debt (non-recourse)	754	613
Secured debt (non-recourse)	74	86
Redeemable preference shares (b)	450	450
Finance leases	49	33
Other unsecured borrowings	241	227
Total non-current portion of debentures and other borrowings	6 191	4 189
Total borrowings falling due after more than one year	6 288	5 534
Trade creditors	14	10
Other creditors	181	111
Corporation taxes	21	13
Deferred income	345	319
	6 849	5 987

(a) The limited recourse secured debt relates to the Mozal joint arrangement. The debt is secured by a charge over the assets of this joint arrangement and the lender has recourse to only those assets in the event of default. The BHP Billiton Group's share of these obligations are guaranteed by BHP Billiton Plc until such time as the project reaches financial completion.

(b) Redeemable preference shares include the following:

BHP Operations Inc: Preferred stock***Auction market preferred stock***

600 (2002: 600) shares issued at US\$250 000 each, fully paid preferred stock; cumulative, non-participating, dividend reset on a regular basis reflecting prevailing US market rates; not entitled to any earnings growth or capital appreciation of the issuer. Redeemable at the option of the issuer on any dividend payment date or, if redeemed in full, on any business day. Guaranteed by other BHP Billiton Group companies.

Cumulative preferred stock series 'A'

3 000 (2002: 3 000) shares issued at US\$100 000 each, fixed at 6.76 per cent per annum, fully paid and not entitled to any earnings growth or capital appreciation of the issuer. Subject to mandatory redemption on 27 February 2006. Dividends are cumulative and are calculated on the basis of a year of twelve 30 day months. Guaranteed by other BHP Billiton Group companies.

	Repayable	Currency	Interest rate %	2003 US\$M	2002 US\$M
Debt falling due after 5 years is analysed as follows:					
Magma long-term borrowing	2009 - 2011	US\$	LIBOR	50	50
US\$ Bond issue	2007	US\$	7.5% fixed	-	12
US\$ Bond issue	2012 - 2026	US\$	7.0% fixed	1 073	750
Global Bond	2013	US\$	LIBOR+0.47%	850	-
Long-term borrowing	2020	US\$	6.35% fixed	-	22
Escondida	2008 - 2013	US\$	8.3% fixed	29	29
Escondida	2011	US\$	LIBOR+0.50%	157	-
Medium term notes	2008	US\$	LIBOR+0.78%	391	391
Rio Algom Preferred Securities (a)	2047	US\$	9.4% fixed	-	150
Manganese Shareholder loan	2030	US\$	LIBOR+2.25%	82	82

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Richards Bay Coal Terminal loan	2015	ZAR	interest free	30	23
Eskom loan	2013	ZAR	12.8% fixed	40	46
Mozal - Senior loans	2012 - 2014	US\$	7-8% fixed	121	210
Mozal - Senior loans	2012	US\$	LIBOR+2.4%	95	
Mozal - Subordinated loan	2012	US\$	8.46% fixed	46	34
Chrome Alloys long-term borrowing	2015	ZAR	JIBAR+1.4%	3	46
Other		various	various	17	27
				2 984	1 924

For maturity profile of financial liabilities see note 29, Liquidity exposures. For the purpose of that disclosure, financial liabilities include total borrowings falling due within one year US\$1 036 million (2002: US\$2 787 million), total borrowings falling due after more than one year US\$6 288 million (2002: US\$5 534 million) and creditors deemed to be financial instruments, payable in cash, of US\$117 million (2002: US\$17 million).

(a) Classified as current at 30 June 2003 following the exercise, on 27 June 2003, of Rio Algom's option to redeem the Preferred Securities on 7 August 2003.

21 Provisions for liabilities and charges

	Employee Entitlements (a) US\$M	Restructuring (b) US\$M	Resource Rent tax US\$M	Site Rehabilitation (c) US\$M	Post-Retirement benefits(d) (note 27) US\$M	Deferred Tax US\$M	Other US\$M	T US
At 1 July 2002	641	125	214	1 613	215	1 587	259	4
Amounts capitalized	-	-	-	325	-	-	-	
Demerger or disposals of	(183)	(1)	-	(1)	-	(237)	(34)	(4)

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subsidiaries									
Charge/(credit) for the year:									
Underlying	411	4	(3)	37	50	54	36		
Discounting	3	-	-	94	-	-	-		
Exchange variation	51	5	29	-	22	-	35		
Released during the year	-	-	-	-	-	-	-		
Exchange variation taken to reserves	1	-	3	15	-	17	1		
Utilisation	(265)	(28)	-	(84)	(29)	-	(23)	(4)	
Transfers and other movements	(32)	(48)	(2)	26	59	(8)	24		
At 30 June 2003	627	57	241	2 025	317	1 413	298	4	
At 1 July 2001	603	499	195	1 048	144	1 340	190	4	
Amounts capitalized	-	-	-	430	-	-	-		
Disposals	(16)	-	-	(93)	(30)	(46)	(6)	(1)	
Charge/(credit) for the year:									
Underlying	330	21	3	-	16	261	77		
Discounting	-	-	-	42	-	-	-		
Exchange variation	24	5	19	-	(14)	-	13		

Released during the year	-	(13)	-	(57)	-	-	(15)	
Exchange variation taken to reserves	21	9	2	6	-	32	2	
Utilisation	(262)	(118)	(6)	(45)	(12)	-	(38)	(4)
Transfers and other movements	(59)	(278)	1	282	111	-	36	
At 30 June 2002	641	125	214	1 613	215	1 587	259	4

(a) The provision for employee entitlements includes applicable amounts for annual leave and associated on-costs. It is anticipated expenditure of approximately US\$313 million will be incurred in the year ending 30 June 2004.

(b) Total provision for restructuring costs is made up of:

	2003	2002
	US\$M	US\$M
Remediation and site rehabilitation	10	47
Redundancies	22	36
Business terminations (including contract cancellations)	25	42
	57	125

(c) The BHP Billiton Group's activities are subject to various national, regional, and local laws and regulations governing the protection of the environment. Furthermore, the BHP Billiton Group has a policy of ensuring that reclamation is planned and financed from the early stages of any operation. Provision is made for the reclamation of the BHP Billiton Group's mining and processing facilities along with the decommissioning of offshore oil platforms and infrastructure associated with petroleum activities. At 30 June 2003, US\$1 664 million (2002: US\$1 276 million) was provided for reclamation and decommissioning costs relating to current operations in the provision for site rehabilitation. Reclamation and decommissioning expenditures generally are expected to be paid over the next 30 years. As stated in the BHP Billiton Group's accounting policy, the BHP Billiton Group's provisions for reclamation and decommissioning are discounted to their net present value. The estimated total site rehabilitation cost (undiscounted) to be incurred in the future arising from operations to date, and including amounts already provided for, is US\$3 391 million (2002: US\$2 863 million).

In addition, the BHP Billiton Group has certain obligations associated with maintaining several closed sites including remediation activities. At 30 June 2003, US\$361 million (2002: US\$337 million) and US\$10 million (2002: US\$47 million) were provided for closed properties and remediation activities in the provisions for site rehabilitation and restructuring, respectively. The main closed site to which this provision relates is Southwest Copper in the US. Certain of the remediation activities are subject to legal dispute and depending on the ultimate resolution of these matters the final liability for these matters could vary. The amounts provided for these matters are reviewed periodically based upon the facts and circumstances available at the time and the provisions are updated accordingly. The BHP Billiton Group believes that it is reasonably possible that, due to the nature of the liability and the degree of uncertainty which surrounds them, the liability for these matters could be as much as 50 per cent (2002: 20 per cent) greater than the total amount of US\$371 million provided at 30 June 2003 (2002: US\$384 million). Details of the more significant remediation sites are discussed below.

Pinal Creek, Arizona, US

BHP Copper Inc ('BHP Copper') is involved in litigation concerning groundwater contamination resulting from historic mining operations near the Pinal Creek/Miami Wash area located in the State of Arizona.

On 2 April 1994, Roy Wilkes and Diane Dunn initiated a toxic tort class action lawsuit in the Federal District Court for the District of Arizona. On 22 September 2000, the Court-approved settlement reached between the parties for a non-material amount, and the terms of the settlement are now being implemented

as a monitoring program.

A State consent decree ('the Decree') was approved by the Federal District Court for the District of Arizona in August 1998. The Decree authorises and requires groundwater remediation and facility-specific source control activities, and the members of the Pinal Creek Group (which consists of BHP Copper, Phelps Dodge Miami Inc and Inspiration Consolidated Copper Co) are jointly liable for performing the non-facility specific source control activities. Such activities are currently ongoing. As of 30 June 2003 the Group has provided US\$22 million (30 June 2002: US\$31 million) for its anticipated share of the planned remediation work, based on a range up to US\$43 million.

BHP Copper and the other members of the Pinal Creek Group filed a contribution action in November 1991 in the Federal District Court for the District of Arizona against former owners and operators of the properties alleged to have caused the contamination. The claim is for an undetermined amount but under current state and federal laws applicable to the case, BHP Copper should recover a significant percentage of the total remediation costs from the Defendants, based upon their operations' proportionate contributions to the total contamination in the Pinal Creek drainage basin. Such action seeks recovery from these historical owners and operators for remediation and source control costs. BHP Copper's predecessors in interest have asserted a counterclaim in this action seeking indemnity from BHP Copper based upon their interpretation of the historical transaction documents relating to the succession in interest of the parties. BHP Copper has also filed suit against a number of insurance carriers seeking to recover under various insurance policies for remediation, response, source control, and other costs noted above incurred by BHP Copper. The reasonable assessment of recovery in the various insurances cases has a range from US\$7 million to about US\$20 million, depending on many factors. Neither insurance recoveries nor other claims or offsets have been recognised in the financial statements and will not be recognised until such offsets are considered virtually certain of realisation.

Hawaii, US

In May 1998, the BHP Billiton Limited Group divested its businesses in Hawaii. The BHP Billiton Limited Group indemnified the buyers for certain past liabilities and has capped this indemnification at less than US\$10 million, much of which has now been spent. Following the divestment, the BHP Billiton Limited Group has retained some environmental liabilities for which it has indemnified the buyer and which are uncapped, as described below.

The BHP Billiton Limited Group operated a petroleum terminal, now decommissioned, at a site that is within an area that has since been declared a Hawaii State Superfund site. The BHP Billiton Limited Group is currently participating in a voluntary effort with a number of other parties to undertake site assessment, to be followed by a risk assessment, and ultimately risk-based correction actions. Site assessment is expected to be completed in 2003 and risk assessment in 2004. Some corrective action is taking place while the assessments are progressing.

Also within the Superfund area is the site of a previous manufactured gas plant. Litigation over a claim brought by a neighbour, Castle & Cooke, asserting that contamination on its property arose from the BHP Billiton Limited controlled site was settled in December 2000. The BHP Billiton Group has engaged a contractor to remediate the former gas plant site to the satisfaction of the Hawaii Department of Health and to meet conditions of the Settlement Agreement. Remediation activities have commenced and are ongoing.

The Group's remaining liabilities for its former Hawaii businesses including remediation costs, though uncapped, are currently assessed and accrued at

US\$11 million (2002: US\$12 million).

Newcastle, Australia

On 28 June 2002, the BHP Billiton Group and the New South Wales (NSW) Government executed contracts for the transfer of four properties in the Newcastle area from the Group to the NSW Government. The properties covered by the land transfer are 150 hectares at the former Newcastle Main Steelworks site, 230 hectares at Kooragang Island, 500 hectares at Belmont Sands and 1500 hectares at West Wallsend.

Pursuant to the terms of the contracts the NSW Government agreed to pay the Group US\$22 million (net of GST) for the Main Steelworks site. The other properties were transferred to the NSW Government at no cost. The Group will ultimately pay the NSW Government a sum of US\$73 million (net of GST) for environmental remediation and monitoring of the former Main Steelworks site and Kooragang Island, industrial heritage interpretation and rail infrastructure relocation on the former Main Steelworks site, of which US\$43 million has already been paid.

The transfer of the four properties was conditional, amongst other things, on an indemnity from the NSW Government against responsibility for the remediation of contamination on the Main Steelworks site and Kooragang Island and contamination, which migrates to or is transported off these sites after the date of completion. The Group retains responsibility for any pre-existing environmental liabilities associated with Belmont Sands and West Wallsend and for pre-existing off-site contamination from the former Main Steelworks site and Kooragang Island.

The Group continues to be responsible for demolition at the Main Steelworks site at an estimated cost of approximately US\$5 million at 30 June 2003 (2002: US\$11 million). The payments to the Government associated with the land transfers and the cost of demolition has been accounted for as part of the Newcastle Steelworks closure. The transfers of the four properties referred to above were completed on 31 July 2002 and the indemnity referred to above is now in place. The Group has also taken out pollution liability insurance to cover certain risks associated with pre-completion environmental liabilities referred to above.

Additionally the Group retains responsibility for certain sediment in the Hunter River adjacent to the former Main Steelworks site. A remediation options study has been completed. The estimated total future costs provided at 30 June 2003 were approximately US\$30 million (2002: US\$75 million).

Ok Tedi, Papua New Guinea

The BHP Billiton Group completed its withdrawal from the Ok Tedi copper mine in Papua New Guinea in February 2002 with the transfer of its 52 per cent equity stake to PNG Sustainable Development Program Limited (Program Company), a development fund that operates for the benefit of the Papua New Guinean people.

The Program Company operates independently and will utilise future dividend payments arising from the BHP Billiton Group's transferred shareholding in Ok Tedi Mining Limited (OTML) to fund current and long-term sustainable development projects in Papua New Guinea, particularly the Western Province.

Following the transfer of BHP Billiton's shareholding, the equity participants in OTML are: PNG Sustainable Development Program Limited (52 per cent); the State of Papua New Guinea (30 per cent) and Inmet Mining Corporation (18 per cent). OTML continues to operate the mine on behalf of the shareholders.

Additionally the withdrawal agreement required cash provisioning by OTML for mine closure and provides a scheme for retention of a responsible and skilled mine management team including transfer of existing BHP Billiton Group Ok Tedi staff to OTML.

The BHP Billiton Group also provides financial support to the Program Company by way of a fully repayable, interest free funding facility of US\$100 million for a period of three years (until it has built up its own fund) with repayment arrangements if these are used. As any allocations from the funding facility are fully repayable, BHP Billiton's assessment is that these arrangements do not require provisioning in the BHP Billiton Group's accounts.

The financial support provided by the BHP Billiton Group ensures the Program Company has immediate access to finance for environmental remediation or other capital requirements, in accordance with its shareholder obligations, prior to the accumulation of sufficient funds in the Program Company from future dividend flows.

Following the equity transfer, the BHP Billiton Group no longer benefits financially from the Ok Tedi mine operations and, as a result, the BHP Billiton Group negotiated the agreement for its withdrawal to provide protection from any future liabilities including legal claims. The legal arrangements encompass a series of legal releases, indemnities and warranties that safeguard the BHP Billiton Group's interests following its formal exit from the project.

(d) The provision for post-retirement benefits includes pension liabilities of US\$65 million (2002: US\$31 million).

22 Called up share capital and contributed equity

	2003	2002	2001
	US\$M	US\$M	US\$M
BHP Billiton Plc			

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Authorised share capital			
3 000 000 000 ordinary shares of US\$0.50 each (2002: 3 000 000 000; 2001: 3 000 000 000)	1 500	1 500	1 500
50 000 (2002: 50,000; 2001: 50 000) 5.5% preference shares of Pounds 1 each (a)	-	-	-
1 Special Voting Share (2002: 1; 2001: 1) of US\$0.50 (b)	-	-	-
1 Equalisation Share (2002: 1; 2001: 1) of US\$0.50 (c)	-	-	-
	1 500	1 500	1 500
Allotted, called up and fully paid share capital			
2 468 147 002 ordinary shares of US\$0.50 each (2002: 2 319 147 885; 2001: 2 319 147 885)	1 234	1 160	1 160
50 000 (2002: 50 000; 2001: 50 000) 5.5% preference shares of Pounds 1 each (a)	-	-	-
1 Special Voting Share (2002: 1; 2001: 1) of US\$0.50 (b)	-	-	-
	1 234	1 160	1 160

	Number of shares		
	2003	2002	2001
Movements in called up fully paid ordinary shares			
Opening number of shares	2 319 147 885	2 319 147 885	2 138 032 287
Bonus shares issued (d)	148 999 117	-	-
Shares issued under ordinary share placement (e)	-	-	181 115 598

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Closing number of shares	2 468 147 002	2 319 147 885	2 319 147 885
	2003	2002	2001
	US\$M	US\$M	US\$M
BHP Billiton Limited			
Paid up contributed equity (f)			
3 747 687 775 ordinary shares fully paid (2002: 3 724 893 687; 2001: 3 704 256 885)	1 785	3 143	3 039
240 000 ordinary shares paid to A\$1.40 (2002: 320 000; 2001: 385 000) (h)	-	-	-
1 095 000 ordinary shares paid to A\$1.36 (2002: 2 305 000; 2001: 3 656 500) (h)	-	-	-
1 Special Voting Share (2002: 1; 2001: 1) (b)	-	-	-
	1 785	3 143	3 039
	Number of shares		
	2003	2002	2001
Movements in fully paid ordinary shares			
Opening number of shares	3 724 893 687	3 704 256 885	1 781 493 241
Shares issued on exercise of Employee Share Plan options (i)	20 165 784	22 955 508	7 798 200
Shares issued on exercise of Performance Rights (i)	918 120	-	150 920
Bonus shares issued (g)	-	-	1 912 154 524
Partly paid shares converted to fully paid (h)	1 710 184	1 815 916	2 660 000
Shares bought back and cancelled (j)	-	(4 134 622)	-

Closing number of shares (k)	3 747 687 775	3 724 893 687	3 704 256 885
------------------------------	------------------	------------------	------------------

- (a) Preference shares have the right to repayment of the amount paid up on the nominal value and any unpaid dividends in priority to the holders of any other class of shares in BHP Billiton Plc on a return of capital or winding up. The holders of preference shares have limited voting rights if payment of the preference dividends are six months or more in arrears or a resolution is passed changing the rights of the preference shareholders. Since the merger these shares have been beneficially held by J.P. Morgan plc.
- (b) Each of BHP Billiton Plc and BHP Billiton Limited issued one Special Voting Share to facilitate joint voting by shareholders of BHP Billiton Plc and BHP Billiton Limited on Joint Electorate Actions.
- (c) The Equalisation Share was authorised to enable a distribution to be made by BHP Billiton Plc to the BHP Billiton Limited Group should this be required under the terms of the DLC merger. The Directors have the ability to issue the Equalisation Share if required under those terms. The Constitution of BHP Billiton Limited allows the Directors of that Company to issue a similar Equalisation Share.
- (d) Upon the demerger of the BHP Steel business in July 2002, bonus shares of BHP Billiton Plc were issued to BHP Billiton Plc shareholders to reflect the value distributed to shareholders of BHP Billiton Limited as a result of the demerger (the bonus issue was one BHP Billiton Plc share for approximately each 15.6 BHP Billiton Plc shares held).
- (e) In September 2000, 235 000 000 ordinary shares were placed at a price of 265 pence per share. The placing comprised 181 115 598 new shares and 53 884 402 shares held under the share repurchase scheme.
- (f) Contributed equity decreased by US\$1 456 million due to the demerger of BHP Steel in July 2002. This reflected a capital reduction of A\$0.69 per share. The demerger resulted in BHP Billiton Limited shareholders being issued one BHP Steel Limited share for every five BHP Billiton Limited shares held.
- (g) The DLC merger between BHP Billiton Plc and BHP Billiton Limited was established on 29 June 2001. Under the terms of the DLC merger BHP Billiton Limited issued fully paid bonus shares effective 29 June 2001 with the allotment of shares occurring on 9 July 2001. Refer to Merger Terms in 'Dual Listed Companies Structure and Basis of Preparation of Financial Statements'.
- (h) 80 000 (2002: 65 000; 2001: 30 000) shares paid to A\$1.40 and 1 210 000 (2002: 1 351 500; 2001: 2 630 000) shares paid to A\$1.36 were converted to fully paid during 2003. There were no partly paid shares issued during the year (2002: nil; 2001: nil). Including bonus shares, 1 710 184 (2002: 1 815 916; 2001: 2 660 000) shares were issued on conversion of these partly paid shares. 282 000 (2002: 650 000) partly paid shares are entitled to 321 984 (2002: 692 315) bonus shares on becoming fully paid. As a consequence of the BHP Steel demerger, an interim call of A\$0.69 per share was made on partly paid shares and the capital reduction amount was applied to meet this call.
- (i) The number of shares issued on exercise of options and Performance Rights after 7 July 2001 includes bonus shares.
- (j) During the year ended 30 June 2003, BHP Billiton Limited did not repurchase any shares in accordance with its announced share buy-back program. During the year ended 30 June 2002, BHP Billiton Limited repurchased 4 134 622 shares at a weighted average price of A\$8.83 per share. The buy-back program allows for the purchase of up to 186 million BHP Billiton Limited shares (adjusted for the bonus issue), less the number of BHP Billiton Plc shares purchased on-market by Nelson Investment Limited.

(k) During the period 1 July 2003 to 9 September 2003, 155 000 Executive Share Scheme partly paid shares were paid up in full, 2 978 357 fully paid ordinary shares (including attached bonus shares) were issued on the exercise of Employee Share Plan options and 813 709 fully paid ordinary shares (including attached bonus shares) were issued on the exercise of Performance Share Plan Performance Rights.

23 Employee share ownership plans

Summary of BHP Billiton Group employee share ownership plans

The following table is a summary of the awards made under the employee share ownership plans of BHP Billiton Plc and BHP Billiton Limited.

The subsequent tables and associated footnotes provide more information in relation to that contained in the summary table.

The details of the plans, including comparatives, are presented including, where applicable, a bonus element to which the participant became entitled as a result of the DLC merger on 29 June 2001 and the BHP Steel Limited demerger on 1 July 2002.

		Number of	Fair value of an
	Number of awards	awards issued	award issued
	outstanding at	during year ended	during year ended
	30 June 2003	30 June 2003	30 June 2003
			US\$
BHP Billiton Plc employee share awards			
Group Incentive Scheme	3 634 251	3 966 768	1.08
Restricted Share Scheme	4 608 382	-	-
Co-Investment Plan	837 450	-	-
BHP Billiton Limited employee share awards			
Group Incentive Scheme	7 313 516	7 510 243	1.13

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Employee Share Plan (shares)	20 508 095	-	-
Employee Share Plan (options)	37 571 802	67 500	1.22
Executive Share Scheme (partly paid shares)	1 656 984	-	-
Performance Share Plan (LTI)	7 924 676	-	-
Performance Share Plan (MTI)	238 940	-	-
Bonus Equity Share Plan (shares)	856 345	-	-

The following tables relate to awards issued under the BHP Billiton Plc Restricted Share Scheme and BHP Billiton Plc Co-Investment Plan as well as shares and options issued under the BHP Billiton Limited Employee Share Plan, partly paid shares issued under the BHP Billiton Limited Executive Share Scheme, performance rights issued under the BHP Billiton Limited Performance Share Plan, shares issued under the BHP Billiton Limited Bonus Equity Share Plan and awards issued under the BHP Billiton Group Incentive Scheme.

	Restricted Share Scheme awards (a)			Co-Investment Plan awards (b)		
	2003	2002	2001	2003	2002	2001
Number of awards issued since the DLC merger (c)	5 657 555	5 657 555		1 023 425	1 023 425	
During the financial year						
Number of awards remaining at the beginning of the financial year	5 351 690	-		1 000 399	-	
Number of awards issued	-	5 657 555		-	1 023 425	
Number of awards exercised	(426 604)	(56 568)		(45 415)	(6 525)	
Number of awards lapsed	(316 704)	(249 297)		(117 534)	(16 501)	
Number of awards remaining at the end of the financial year	4 608 382	5 351 690		837 450	1 000 399	
Exercisable	-	-		-	-	

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Not exercisable	4 608 382	5 351 690		837 450	1 000 399	
Number of employees participating in awards issued	-	239		-	126	
Market value of awards issued (US\$ million) (d)	-	-		-	-	
Proceeds from awards issued (US\$ million)	-	-		-	-	
Number of employees exercising awards	22	8		10	2	
Market value of shares on exercise of awards (US\$ million)	2	-		-	-	

	Group Incentive Scheme Performance			Group Incentive Scheme Performance		
	Shares (BHP Billiton Plc) (e)			Shares (BHP Billiton Limited) (e)		
	2003	2002	2001	2003	2002	2001
Number of awards issued since commencement of the Plan	3 966 768			7 510 243		
During the financial year						
Number of awards remaining at the beginning of the financial year	-			-		
Number of awards issued	3 966 768			7 510 243		
Number of awards exercised	-			-		
Number of awards lapsed	(332 517)			(196 727)		

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Number of awards remaining at the end of the financial year	3 634 251			7 313 516		
Exercisable	-			-		
Not exercisable	3 634 251			7 313 516		
Number of employees participating in awards issued	221			424		
Market value of awards issued (US\$ million) (d)	-			-		
Proceeds from awards issued (US\$ million)	-			-		
Number of employees exercising awards	-			-		
Market value of shares on exercise of awards (US\$ million)	-			-		
	Employee Share Plan Options (f)			Weighted Average Exercise Price (A\$)		
	2003	2002	2001	2003	2002	2001
Number of awards issued since commencement of the Plan	178 032 575	177 965 075	163 887 575			
During the financial year						
Number of awards remaining at the beginning of the financial year	60 994 303	74 588 800	87 217 403	8.29	7.92	7.92
Number of awards issued	67 500	14 077 500	15 244 569	8.95	8.98	9.13
Number of awards exercised	(20 165 784)	(22 955 508)	(16 104 063)	7.25	7.66	7.59
Number of awards lapsed	(3 324 217)	(4 716 489)	(11 769 109)	7.53	7.78	7.73
				7.81	8.29	7.92

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Number of awards remaining at the end of the financial year	37 571 802	60 994 303	74 588 800			
Exercisable	15 899 927	32 297 444	18 643 279	7.03	7.62	7.54
Not exercisable	21 671 875	28 696 859	55 945 521	8.38	9.04	8.06
Number of employees participating in awards issued	1	266	367			
Market value of awards issued (US\$ million) (d)	-	-	-			
Proceeds from awards issued (US\$ million)	-	-	-			
Number of employees exercising awards	9 857	12 081	9 431			
Market value of shares on exercise of awards (US\$ million)	121	132	84			
Proceeds from exercise of options (US\$ million)	83	94	65			
	Employee Share Plan Shares (f)			Executive Share Scheme Partly Paid Shares (h)		
	2003	2002	2001	2003	2002	2001
Number of awards issued since commencement of the Plan	373 745 102	373 745 102	373 745 102	50 529 280	50 529 280	50 529 280
During the financial year						
Number of awards remaining at the beginning of the financial year	45 827 460	62 781 518	87 469 376	3 367 168	5 183 084	8 625 929
Number of awards issued	-	-	-	-	-	-
Number of awards exercised	(25 319 365)	(16 954 058)	(24 687 858)	(1 710 184)	(1 815 916)	(3 442 845)

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Number of awards lapsed	-	-	-	-	-	-
Number of awards remaining at the end of the financial year	20 508 095	45 827 460	62 781 518	1 656 984	3 367 168	5 183 084
Exercisable	20 508 095	45 827 460	62 781 518	1 656 984	3 367 168	5 183 084
Not exercisable	-	-	-	-	-	-
Number of employees participating in awards issued				-	-	-
Market value of awards issued (US\$ million) (d)				-	-	-
Proceeds from awards issued (US\$ million)				-	-	-
Number of employees exercising awards				11	14	15
Market value of shares on exercise of awards (US\$ million)				7	8	14
Employee Share Plan Loans outstanding (US\$ million) (g)	71	135	166			
Proceeds from conversion of partly paid shares (US\$ million)				10	10	22

	Performance Share Plan					
	Performance Rights (i)(j)(k)			Bonus Equity Share Plan Shares (l)		
	2003	2002	2001	2003	2002	2001
Number of awards issued since commencement of the Plan	12 679 547	12 679 547	7 152 430	1 016 845	1 016 845	

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During the financial year						
Number of awards remaining at the beginning of the financial year	10 293 469	6 234 311	1 836 241	1 016 845	-	
Number of awards issued	-	5 527 117	4 857 130	-	1 016 845	
Number of awards exercised	(1 901 694)	(1 235 794)	(459 060)	(135 945)	-	
Number of awards lapsed	(228 159)	(232 165)	-	(24 555)	-	
Number of awards remaining at the end of the financial year	8 163 616	10 293 469	6 234 311	856 345	1 016 845	
Exercisable	-	57 384	-	-	-	
Not exercisable	8 163 616	10 236 085	6 234 311	856 345	1 016 845	
Number of employees participating in awards issued	-	118	115	-	117	
Market value of awards issued (US\$ million) (d)	-	-	-	-	-	
Proceeds from awards issued (US\$ million)	-	-	-	-	-	
Number of employees exercising awards	22	21	1	26	-	
Market value of shares on exercise of awards (US\$ million)	8	6	2	1	-	

					Awards outstanding at:			
Month of	Number issued	Number of	Number exercised	Number lapsed	Balance date	Date of Directors' Report	Exercise price	Exercise period /

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issue		recipients					(m)	release date
Group Incentive Scheme Performance								
Shares (BHP Billiton Plc)								
November 2002	3 966 768	221	-	332 517	3 634 251	3 556 429	-	July 2005 - June 2008
					3 634 251	3 556 429		
Restricted Share Scheme (n)								
November 2001(Share awards)	292 577	1	-	169 358	123 219	123 219	-	Nov 2004
October 2001 (Share awards)	4 446 532	197	367 133	384 546	3 694 853	3 572 357	-	Nov 2004
October 2001 (Options)	918 446	41	116 039	12 097	790 310	776 049	-	Oct 2004 - Sept 2008
					4 608 382	4 471 625		
Co-Investment Plan (n)								
November 2001	100 945	1	-	58 637	42 308	42 298	-	Nov 2003 - April 2006
October 2001	922 480	125	51 940	75 398	795 142	685 369	-	Oct 2003 -

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									March 2006
						837 450	727 667		
Group Incentive Scheme Performance									
Shares (BHP Billiton Limited)									
November 2002	7 510 243	424	-	196 727	7 313 516	7 301 322	-		July 2005 - June 2008
					7 313 516	7 301 322			
Employee Share Plan Options									
September 2002	67 500	1	-	-	67 500	67 500	A\$8.95		Oct 2004 - Sept 2011
November 2001	6 870 500	113	231 387	361 384	6 277 729	5 717 600	A\$8.30		Oct 2004 - Sept 2011
November 2001	7 207 000	153	665 913	454 487	6 086 600	5 858 500	A\$8.29		Oct 2004 - Sept 2011
December 2000	3 444 587	67	247 812	262 262	2 934 513	2 797 990	A\$8.72		July 2003 - Dec 2010
December 2000	2 316 010	59	503 884	155 738	1 656 388	1 645 121	A\$8.71		July 2003 - Dec 2010
November 2000	1 719 196	44	245 747	263 701	1 209 748	1 095 783	A\$8.28		July 2003 - Oct 2010
November 2000	7 764 776	197	3 892 714	432 665	3 439 397	3 372 926	A\$8.27		July 2003 - Oct 2010
April 2000	61 953	3	-	-	61 953	61 953	A\$7.60		April 2003 - April

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								2010
April 2000	937 555	5	-	138 362	799 193	760 473	A\$7.60	April 2003 - April 2010
December 1999	413 020	1	-	-	413 020	413 020	A\$8.61	April 2002 - April 2009
December 1999	309 765	1	-	-	309 765	309 765	A\$7.50	April 2002 - April 2009
October 1999	123 906	6	103 255	20 651	-	-	A\$7.57	April 2002 - April 2009
October 1999	105 320	3	14 456	30 976	59 888	59 888	A\$7.57	April 2002 - April 2009
July 1999	206 510	1	-	-	206 510	206 510	A\$7.60	April 2002 - April 2009
April 1999	44 474 820	45 595	14 343 772	20 669 379	9 461 669	8 365 927	A\$6.92	April 2002 - April 2009
April 1999	16 901 398	944	6 055 906	6 257 563	4 587 929	3 458 320	A\$6.92	April 2002 - April 2009
April 1998	366 555	16	325 253	41 302	-	-	A\$6.45	April 2001 - April 2003
April 1998	289 114	23	268 463	20 651	-	-	A\$6.44	April 2001 - April 2003
November 1997	3 261 619	3 501	2 490 511	771 108	-	-	A\$6.84	Nov 2000 - Nov 2002
November 1997	16 336	16 411	13 658	2 678 022	-	-	A\$6.84	Nov 2000 - Nov 2002

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	800		778					
October 1997	11 234 144	511	11 047 252	186 892	-	-	A\$6.73	Oct 2000 - Oct 2002
October 1997	8 243 879	379	7 823 631	420 248	-	-	A\$6.73	Oct 2000 - Oct 2002
July 1997	413 020	1	413 020	-	-	-	A\$8.49	July 2000 - July 2002
July 1997	816 747	36	673 223	143 524	-	-	A\$8.49	July 2000 - July 2002
					37 571 802	34 191 276		

					Awards outstanding at:			
						Date of		
	Number	Number of	Number	Number	Balance	Directors'	Exercise	Exercise
Month of issue	issued	recipients	exercised	lapsed	date	Report	price (m)	release date
Performance Share Plan Performance Rights (n)								
November 2001 (LTI)	5 114 298	110	239 182	254 046	4 621 070	4 545 816	-	Oct 2004 - Sept 2011
October 2001 (LTI)	173 879	2	-	-	173 879	173 879	-	Oct 2004 - Sept 2011

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October 2001(MTI)	238 940	6	-	-	238 940	238 940	-	Oct 2003 - Mar 2006
December 2000 (LTI)	415 510	11	-	-	415 510	319 210	-	July 2003 - Dec 2010
November 2000 (LTI)	4 441 620	104	1 521 126	206 277	2 714 217	2 072 070	-	July 2003 - Oct 2010
March 1999 (LTI)	2 295 300	1	2 295 300	-	-	-	-	Mar 1999 - Mar 2009
					8 163 616	7 349 915		
Bonus Equity Share Plan Shares								
November 2001	1 016 845	117	135 945	24 555	856 345	852 928	-	Nov 2004 - Oct 2006
					856 345	852 928		

Fair valuation of employee share awards (o)

Fair valuation of awards as presented below represents the value of awards issued under employee share ownership plans of BHP Billiton Plc and BHP Billiton Limited. The values relate to the awards granted during the financial year and are measured at grant date.

	2003	2002	2001
	US\$	US\$	US\$
Fair value of a Group Incentive Scheme Performance Share (BHP Billiton Plc)	1.08		

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Fair value of a Group Incentive Scheme Performance Share (BHP Billiton Limited)	1.13		
Fair value of an Employee Share Plan Option	1.22	1.22	1.61
Fair value of a Restricted Share Scheme award		1.65	
Fair value of a Co-Investment Plan matching award		2.63	
Fair value of a Performance Right (LTI)		1.86	3.70
Fair value of a Performance Right (MTI)		2.97	
Fair value of a Bonus Equity Share Plan award (p)		4.76	

The fair values of awards granted were estimated using Black-Scholes option pricing techniques. Significant assumptions used in applying this formula were as follows:

	2003	2002	2001
Group Incentive Scheme Performance Shares (BHP Billiton Plc)			
Risk free interest rate	4.6%		
Estimated life of awards	5 years)(q)		
Estimated volatility of share price	20.0%		
Estimated per annum lapses due to attrition of participants over term	5.0%)(r)		
Dividend yield	2.5%		
Group Incentive Scheme Performance Shares (BHP Billiton Limited)			
Risk free interest rate	4.6%		
Estimated life of awards	5 years)(q)		
Estimated volatility of share price	20.0%		

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Estimated per annum lapses due to attrition of participants over term	5.0%)(r)		