

BHP Billiton Profits Plunge

Contributed by Tom McGregor
Tue, Feb 7, 2012, 09:45 PM

Due to lower iron ore prices, the profits of BHP Billiton have dropped dramatically. The world's biggest mining corporation anticipates another rough year ahead. According to the BBC News, "the Anglo-Australian company reported a 5.5% annual drop in first-half net profit to \$9.9bn. It also warned of a volatile outlook due to Europe's debt crisis and slowing demand from China."

The prices of benchmark commodities such as iron ore, copper and coal have gradually dropped over the last few months. During the same period in 2010, BHP enjoyed record high profits of \$10.5bn, a record-setter in Australian corporate history.

As reported by the BBC, "shares in BHP Billiton fell by 1.1% in early trading in Sydney. Since the start of the year its shares have risen 11%, outperforming the broader Australian market."

The results came out just after Xstrata, a rival miner, formally announced plans to merge with Glencore, the world's biggest commodity trader in a \$90bn deal.

To read the entire article from the BBC News, link here: Mcgregor@chinadaily.com.cn