

Interim Results – 31 December 2006

7 February 2007

Chip Goodyear	Chief Executive Officer
Alex Vanselow	Chief Financial Officer



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BHP Billiton results are reported under International Financial Reporting Standards (IFRS). References to Underlying EBIT and EBITDA exclude net finance costs and taxation for jointly controlled entities, and exceptional items. A reconciliation to statutory EBIT is contained within the profit announcement. All references to dollars are to US dollars.

Interim Results – 31 December 2006

Chip Goodyear

Chief Executive Officer



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Highlights – six months ended December 2006

- **HSEC** – 12 month rolling Classified Injury Frequency Rate of 4.8
- **Record half year earnings**
 - Underlying EBITDA up 32% to US\$10.5 billion
 - Underlying EBIT up 37% to US\$9.1 billion
 - Attributable profit of US\$6.2 billion and earnings per share of 104 US cents, up 41% and 44%, respectively
- **Underlying EBIT margin and ROCE increased** to 47% and 37% respectively
- Current pipeline 29 projects, US\$17.5 billion of investments
- **Genghis Khan** transaction signed
- **Interim dividend increased 14% to 20 US cents per share**, consistent with outlook and higher earnings and cash flow
- Board approved further **US\$10 billion capital management programme**
- **Outlook remains positive**

Interim Results – 31 December 2006

Alex Vanselow

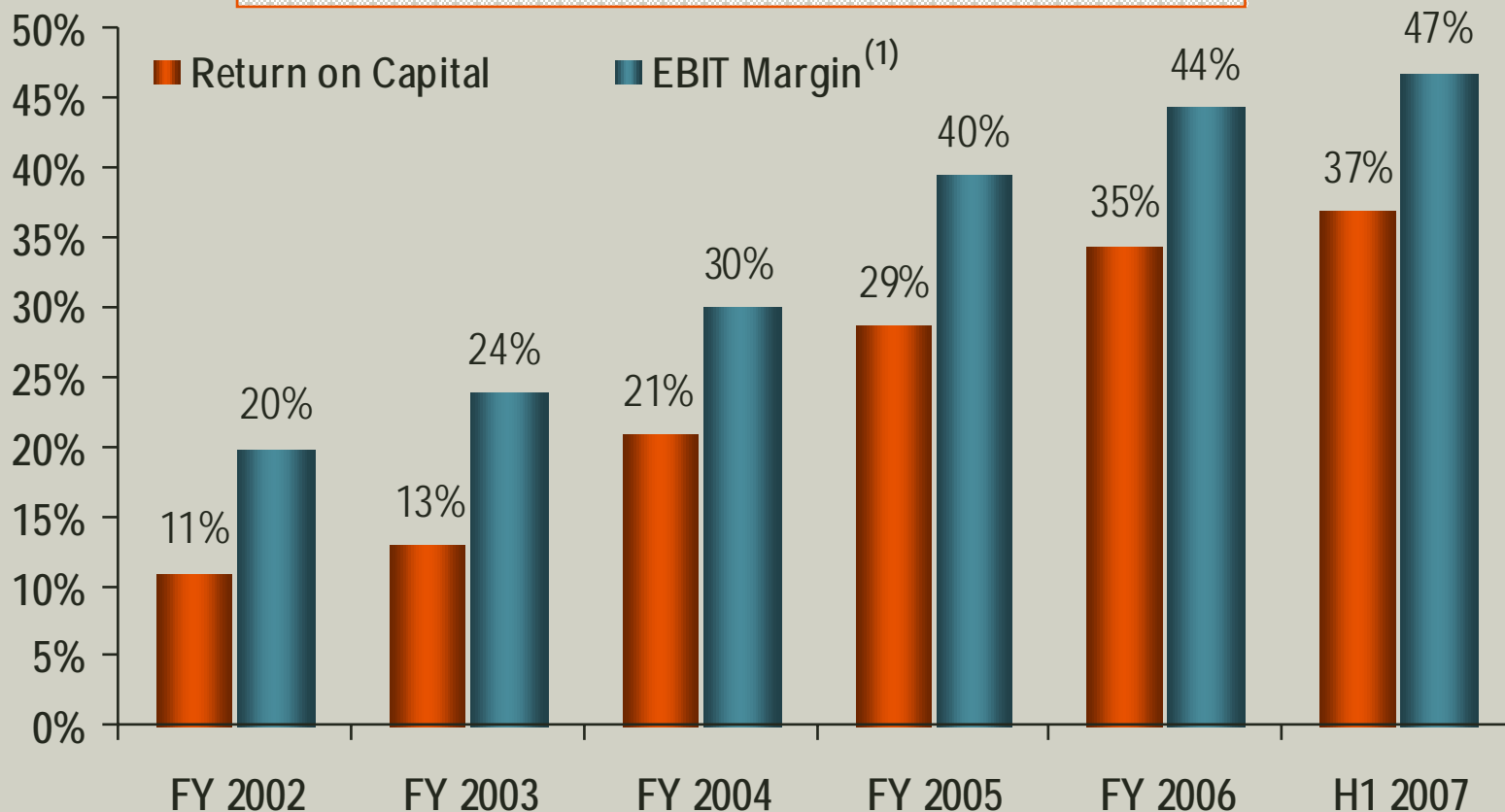
Chief Financial Officer



Outstanding assets

Record margins and return on capital

- ✓ EBIT margins increased from 20% to 47%
- ✓ Project delivery and strategic acquisitions
- ✓ Focus on cost reductions and business excellence



(1) FY2005, FY2006 and H1 2007 are shown on the basis of Underlying EBIT. Prior periods are calculated under UKGAAP.

Underlying EBIT by Customer Sector Group

Half year ended December (US\$M)	2006	2005	% Change
Petroleum	1,612	1,436	+12
Aluminium	840	406	+107
Base Metals	2,905	1,893	+54
Diamonds & Specialty Products	105	261	-60
Stainless Steel Materials	1,436	374	+284
Iron Ore	1,406	1,243	+13
Manganese	105	85	+24
Metallurgical Coal	659	947	-30
Energy Coal	243	205	+19
Group & Unallocated Items ⁽¹⁾	(177)	(179)	
BHP Billiton (Total)	9,134	6,671	+37

Underlying EBIT by Customer Sector Group

Half year ended December (US\$M)	2006	2005	% Change
----------------------------------	------	------	----------

Petroleum

1,612

1,436

+12

Atlantis

- Half year production in line with previous period despite the sale of some operations and no new major project start-ups.
- Improved operational uptime mitigating mature natural field declines.
- Acquisition of Genghis Khan oil and gas development completed in February 2007.



Underlying EBIT by Customer Sector Group

Half year ended December (US\$M)	2006	2005	% Change
----------------------------------	------	------	----------

Aluminium

840

406

+107

- Half year record EBIT contribution.
- Half year record production of aluminium and alumina.
- Half year record sales of alumina.
- Continuing ramp up of the Worsley Development Capital Project.

Worsley



Underlying EBIT by Customer Sector Group

Half year ended December (US\$M)	2006	2005	% Change
----------------------------------	------	------	----------

Base Metals

2,905

1,893

+54

- Half year record EBIT contribution.
- Spence completed ahead of schedule and in line with local currency budget.
- Continued ramp up of Escondida Sulphide Leach Project.
- Cannington full production to resume in early CY2007.

Spence first cathode harvest



Underlying EBIT by Customer Sector Group

Half year ended December (US\$M)	2006	2005	% Change
Diamonds & Specialty Products	105	261	-60
<ul style="list-style-type: none">• Outstanding operational performance from RBM.• Higher value Ekati underground production to increase EBIT over the next few years.• Concept study for a Potash mine in Saskatchewan.• Sale of Southern Cross Fertiliser completed.			

Ekati



Underlying EBIT by Customer Sector Group

Half year ended December (US\$M)	2006	2005	% Change
----------------------------------	------	------	----------

Stainless Steel Materials

1,436

374

+284

- Record contribution to EBIT.
- Production in line with record corresponding half year.
- 21 day Kwinana refinery statutory outage in H2 FY2007.
- Yabulu expansion mechanically complete.
- Cliffs Nickel Project moved to feasibility.
- Growth projects will deliver increased volumes into a structurally tight market.

Ravensthorpe - November 2006



Underlying EBIT by Customer Sector Group

Half year ended December (US\$M)	2006	2005	% Change
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Iron Ore

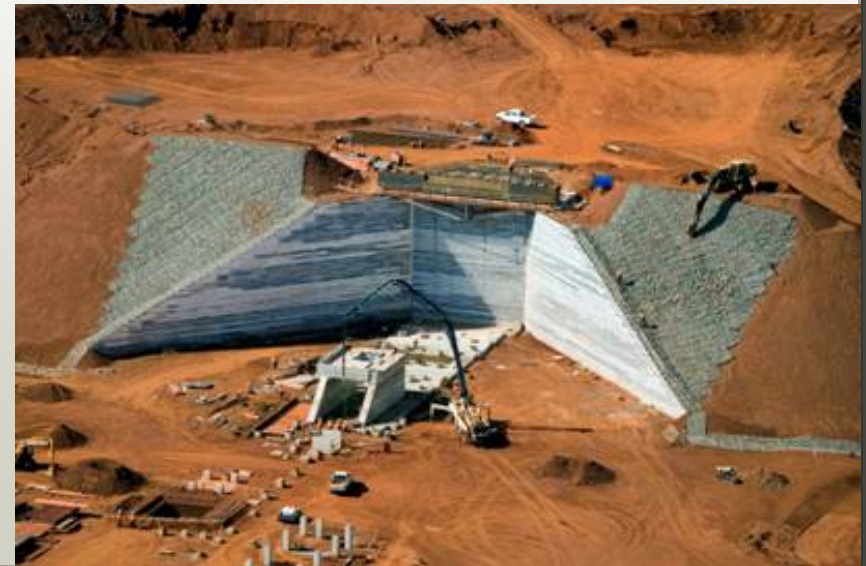
1,406

1,243

+13

- Half year record EBIT contribution.
- Record iron ore production and sales in response to continuing strong customer demand.
- Rapid Growth Project 3 on budget and schedule.
- Rapid Growth Project 4 to be approved H1 CY2007.

WA Iron Ore – RGP 3 Area C




Underlying EBIT by Customer Sector Group

Half year ended December (US\$M)	2006	2005	% Change
Manganese	105	85	+24
<ul style="list-style-type: none">• Record manganese ore production.• Groote Eylandt expansion in feasibility.			
Metallurgical Coal	659	947	-30
<ul style="list-style-type: none">• Increased sales volumes delivered through Hay Point Coal Terminal expansion.• BMA Phase 2 completed.• First production achieved at Poitrel.			

Underlying EBIT by Customer Sector Group

Half year ended December (US\$M)	2006	2005	% Change
Energy Coal	243	205	+19
<ul style="list-style-type: none">• Increased EBIT due to higher export prices driven by strong demand.• Hunter Valley Coal achieved record half year production.• 3 new projects in feasibility - the Newcastle Third Port Expansion, Douglas-Middelburg Optimisation and Navajo South Mine Extension.			
			Mount Arthur Coal



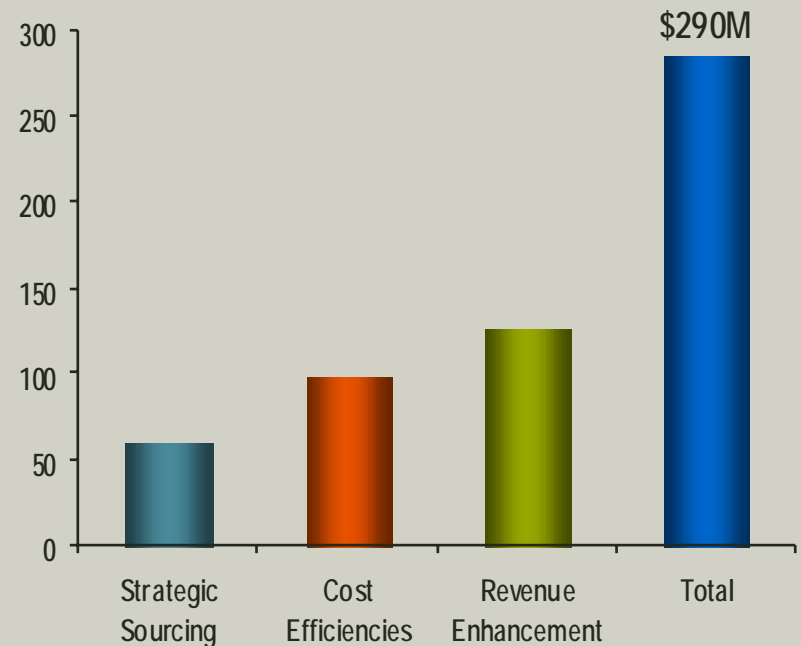
Business Excellence – driving improvement

Initiatives

- Business Excellence Program
 - Based on framework of world class organisations
 - Integrates operational and organisational excellence
 - Drives philosophy of excellence in all areas
- Transfer of Leading Practices through organisation-wide Networks
- Uses Six Sigma as common improvement methodology

Execution

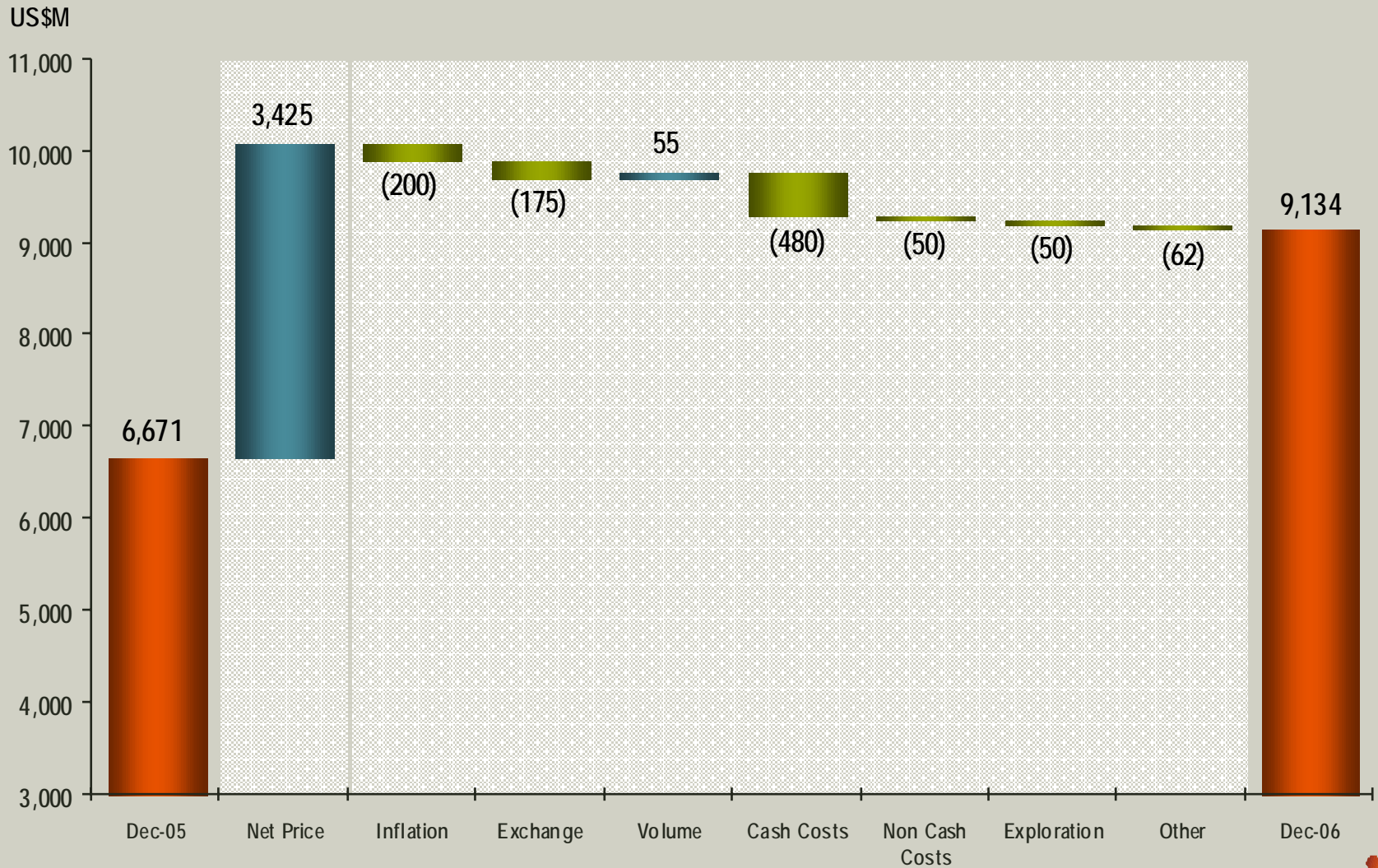
BCS⁽¹⁾ Impact for the Half Year ended Dec 2006 (US\$M)



(1) Benefits Capture System

Underlying EBIT analysis

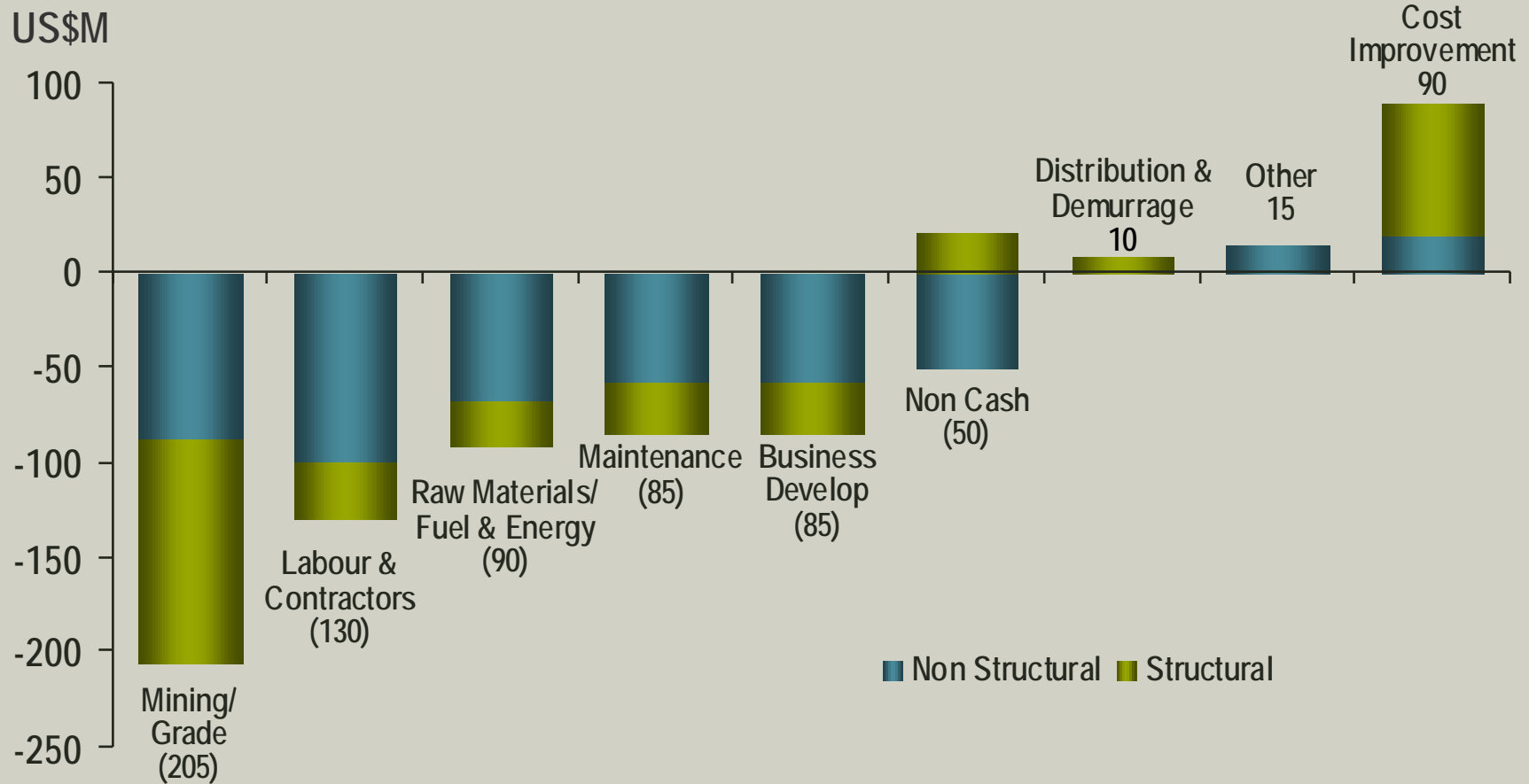
Half year ended Dec 06 vs Half year ended Dec 05



Cost impact on Underlying EBIT

Half year ended Dec 06 vs Half year ended Dec 05

Total cost variance - US\$(530) million

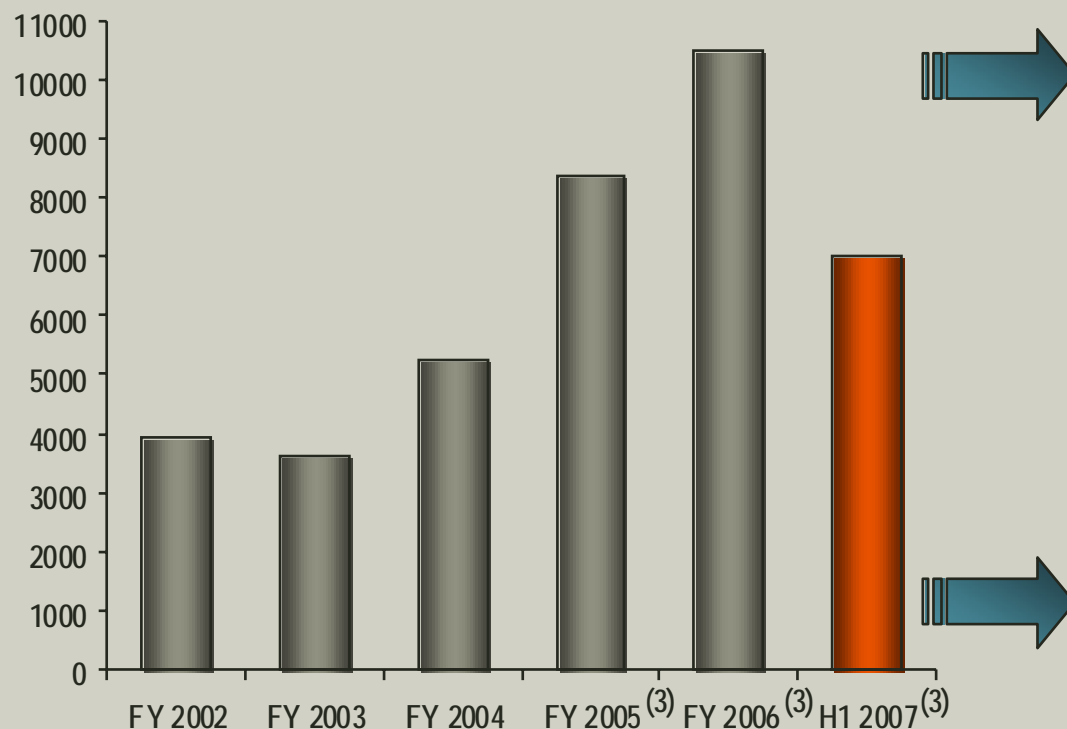


Net finance costs, taxation and attributable profit

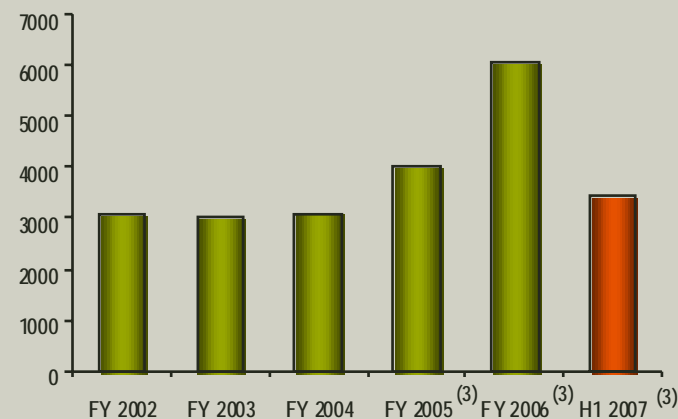
Half year ended December (US\$M)	2006	2005
Underlying EBIT	9,134	6,671
JV net finance costs	(79)	(60)
JV tax expense	(536)	(352)
EBIT - Profit from operations	<u>8,519</u>	<u>6,259</u>
Net finance costs	(222)	(215)
Profit before tax	<u>8,297</u>	<u>6,044</u>
Tax expense (including royalty related tax)	(2,097)	(1,616)
Minorities	(32)	(64)
Attributable profit	<u>6,168</u>	<u>4,364</u>

Strong Cash Flow - delivering value to shareholders

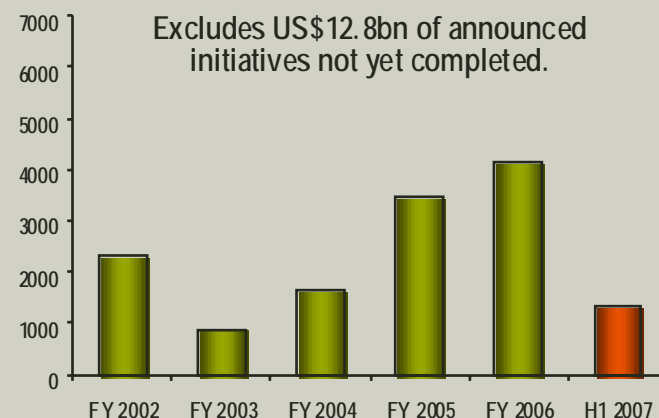
Net Operating Cash Flow US\$M



Organic Growth⁽¹⁾ US\$22.7bn



Return to Shareholders⁽²⁾ US\$13.8bn



- (1) Capital and Exploration Expenditure (excluding acquisitions)
- (2) Steel demerger, Dividends paid and Share Buy-backs.
- (3) FY 2005, FY 2006 and H1 2007 data have been calculated on the basis of IFRS prior periods have been calculated on the basis of UKGAAP.

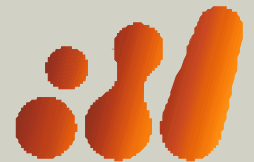
Capital management

- Interim dividend of 20 US cents per share – the 10th consecutive increase.
- Announcement of additional US\$10 billion return – 9.1% of capital.
- Programs announced since August 2004 of US\$17 billion.
- To date 388 million shares bought back representing 6.6% of capital.
- Commencing immediately with off-market buy-back of Ltd shares with targeted maximum of A\$3.25 billion.
- On-market buy-back of Plc stock will continue.
- This continues our track record of rapid execution.

Interim Results – 31 December 2006

Chip Goodyear

Chief Executive Officer



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Observations

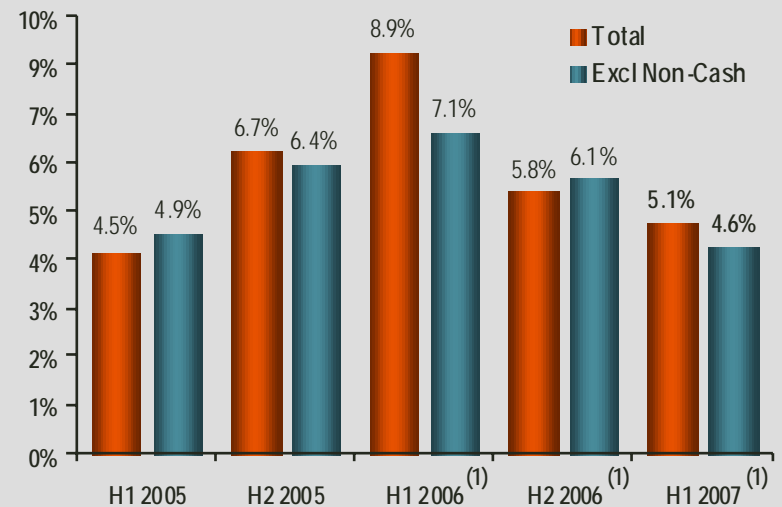
- Petroleum

- Normal decline of 8 - 10%
- Actual result of 3.3%
- No Typhoon production
- Trinidad unplanned shutdown

- Rate of cost increases slowing

- Business Excellence

- Global Sourcing



Global demand growth continues

- **China**
 - GDP growth 10.7% for CY2006
 - Forecast 9.7% for CY2007
 - Economy running well

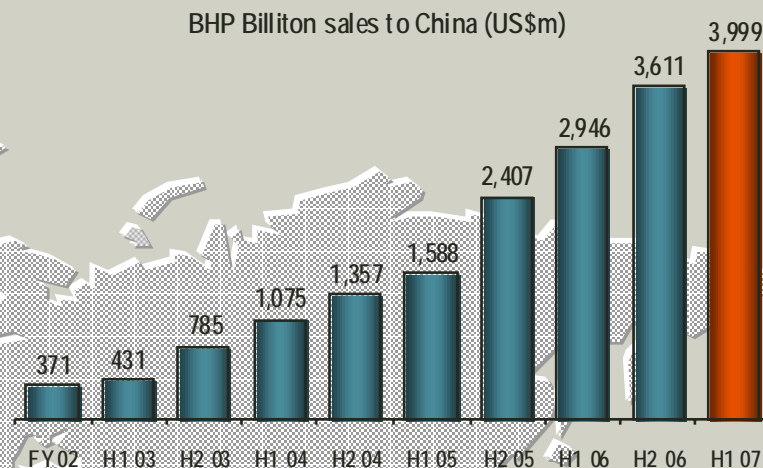
- **India**
 - GDP growth circa 8.7% for CY2006
 - Forecast 7.8% for CY2007
 - Economic growth remains robust

- **US**
 - GDP growth circa 3.3% for CY2006
 - Forecast 2.3% for CY2007
 - Economy remaining resilient

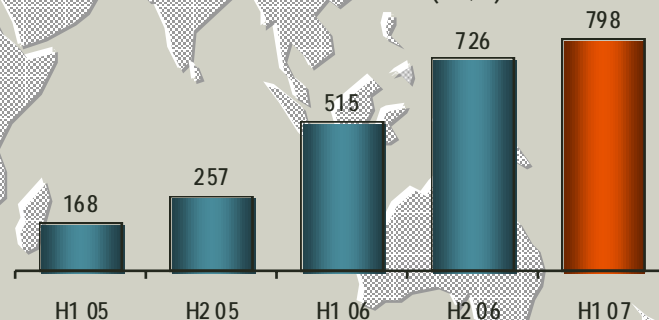
- **Japan**
 - GDP growth circa 2.1% for CY2006
 - Forecast 2.0% for CY2007
 - Weak Yen, low inflation supporting growth

- **Europe**
 - GDP growth 2.7% for CY2006
 - Forecast 2.2% for CY2007
 - Unemployment continues to fall

BHP Billiton sales to China (US\$m)



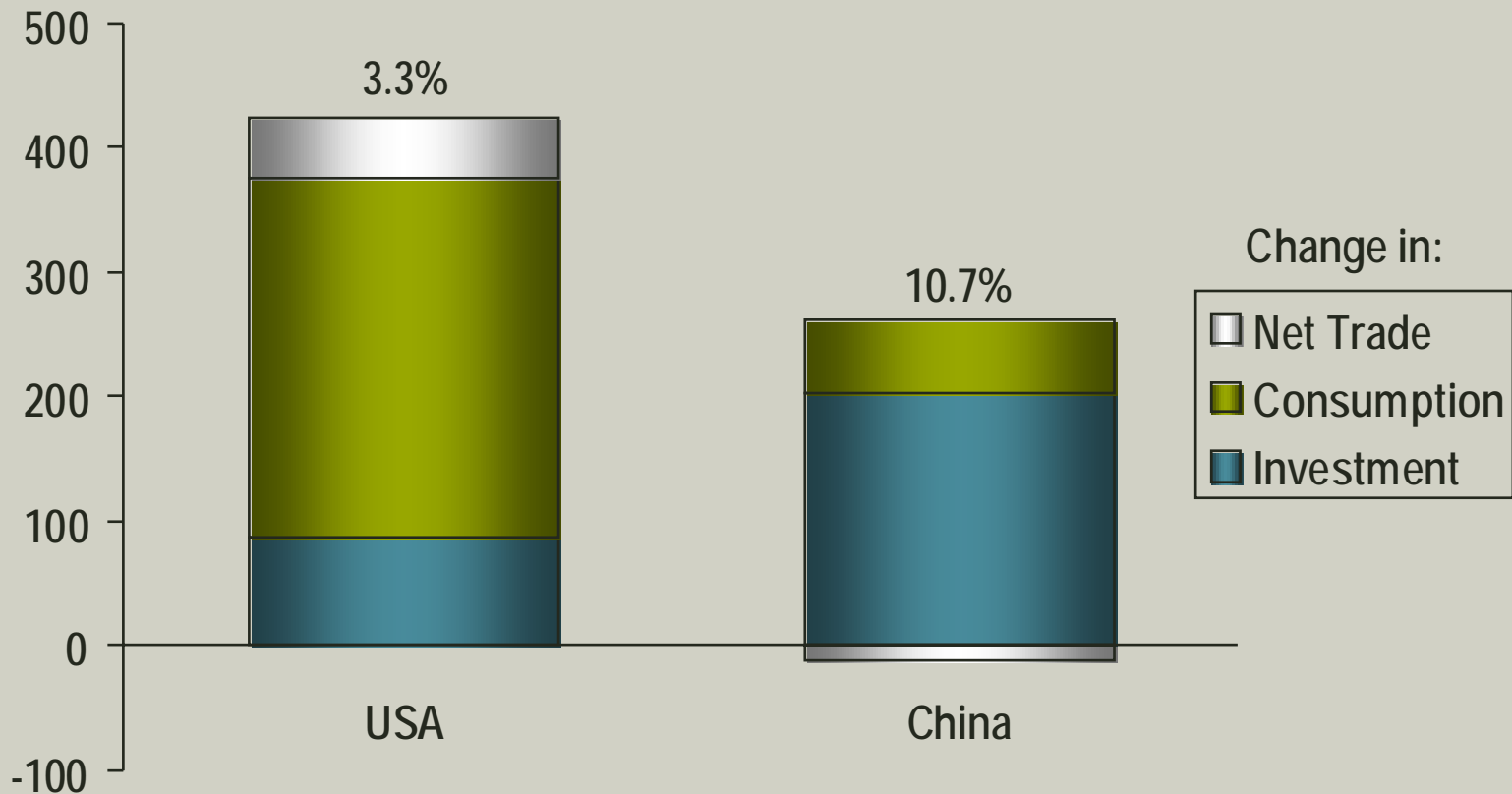
BHP Billiton sales to India (US\$m)



**Solid global economic growth to continue
Long term outlook remains intact**

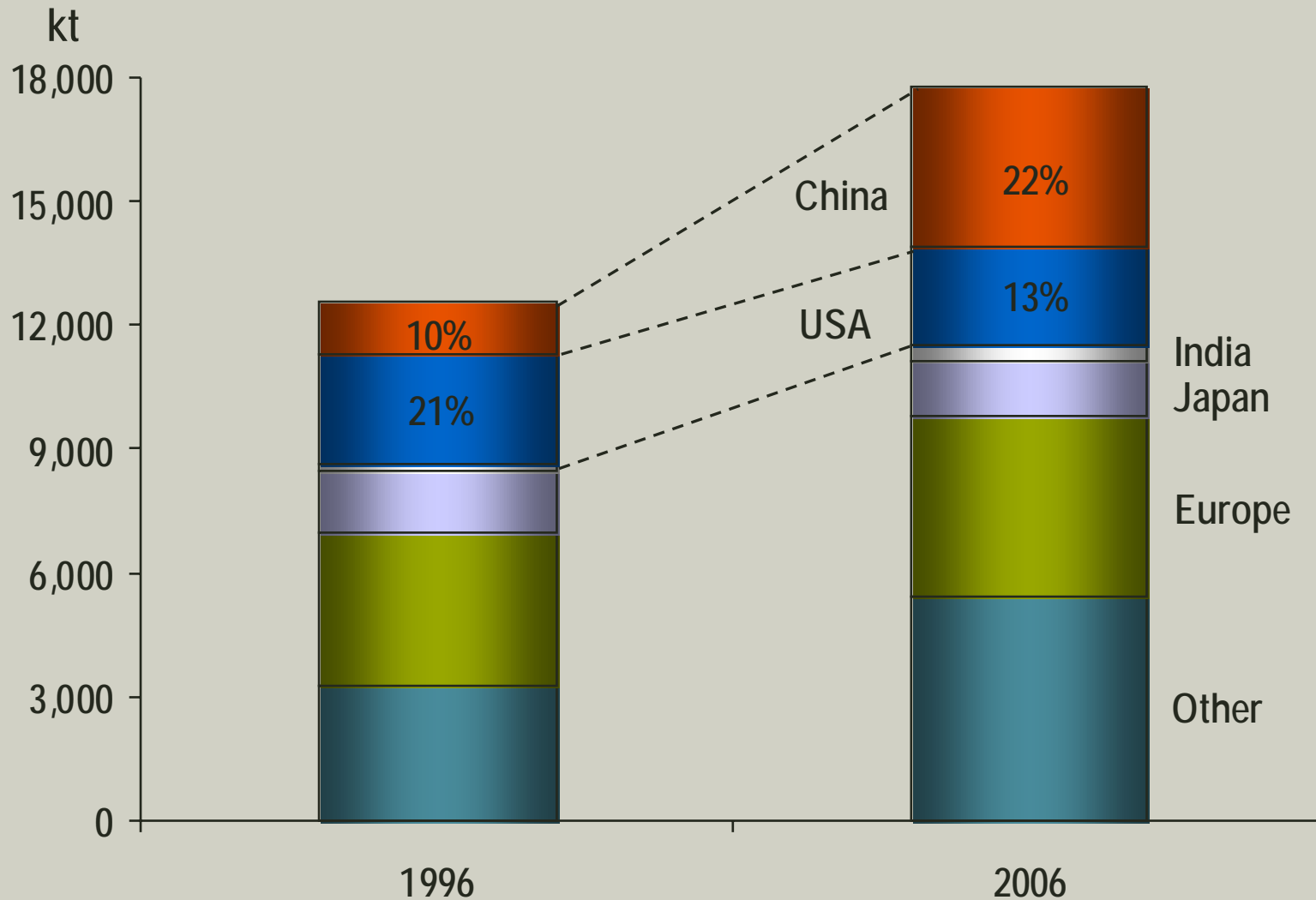
China's contribution is strong in terms of incremental growth in GDP...stimulated by raw materials-intensive Fixed Investment

Change in GDP in US\$ Billions in 2006

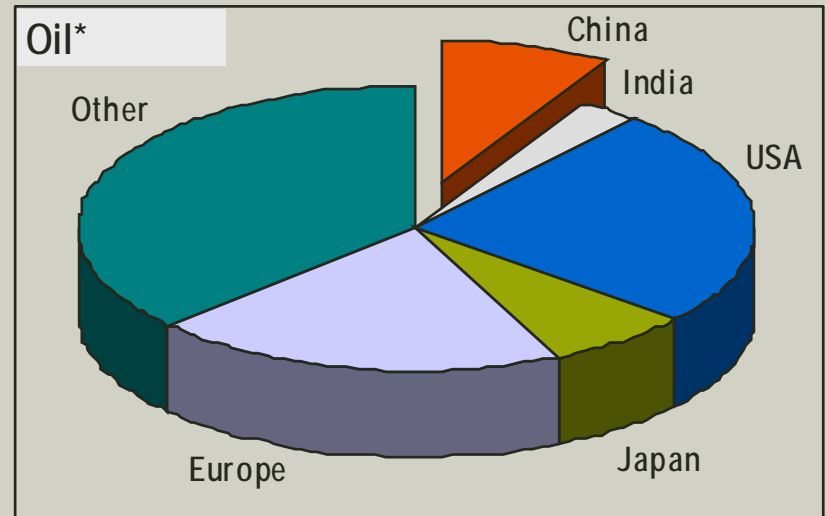
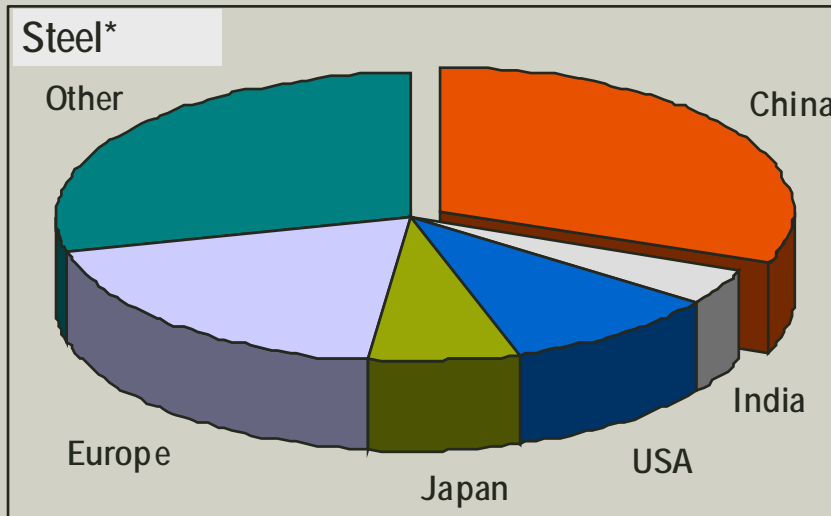
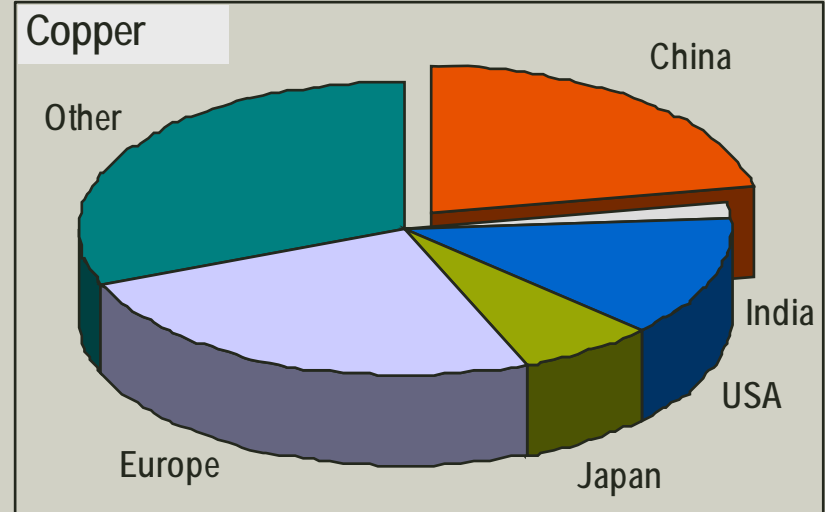
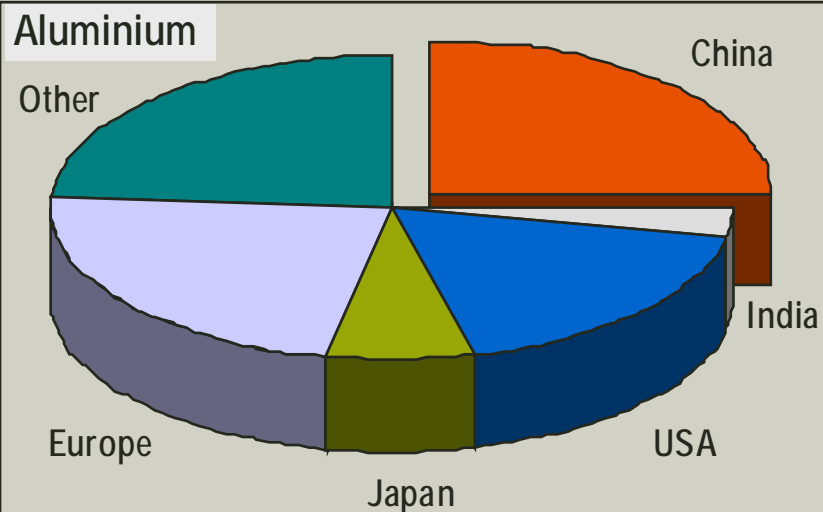


Source: Global Insight. GDP at 2006 market exchange rates

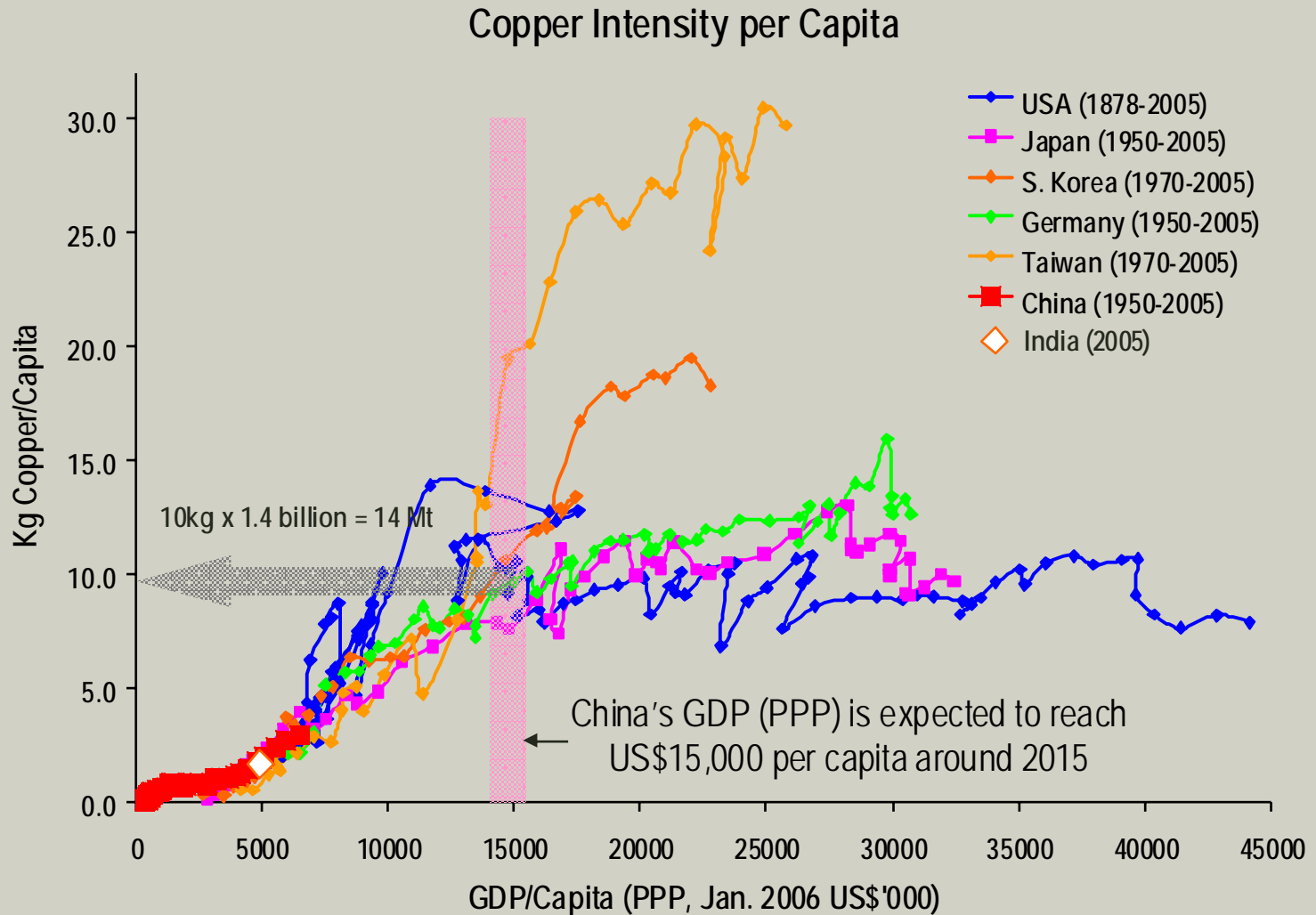
Global copper demand



Global commodity consumption



China's copper consumption – following the path of other developed economies

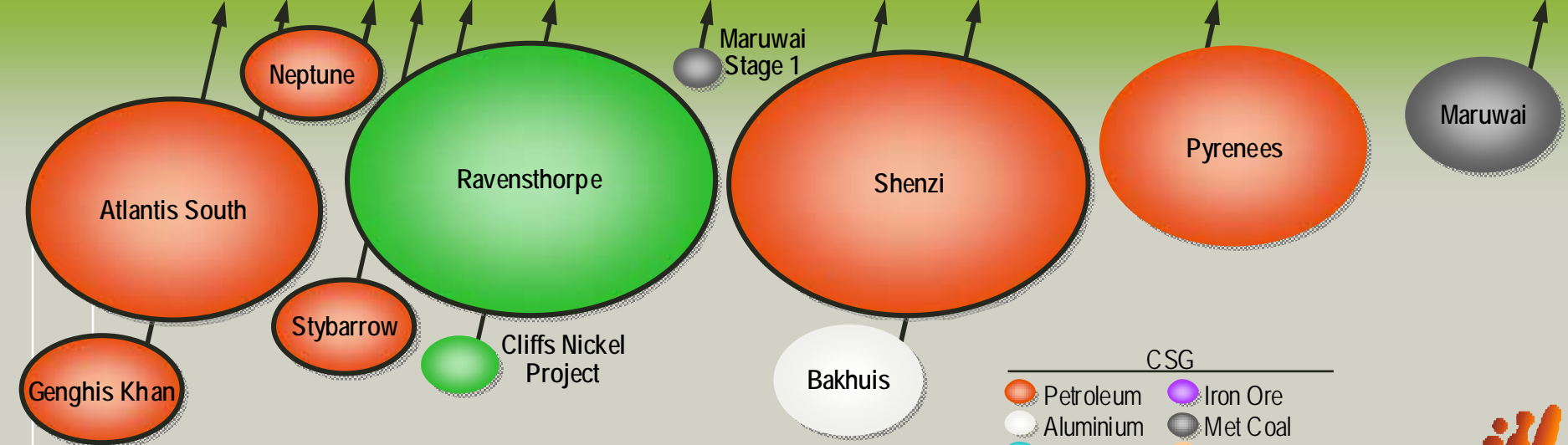
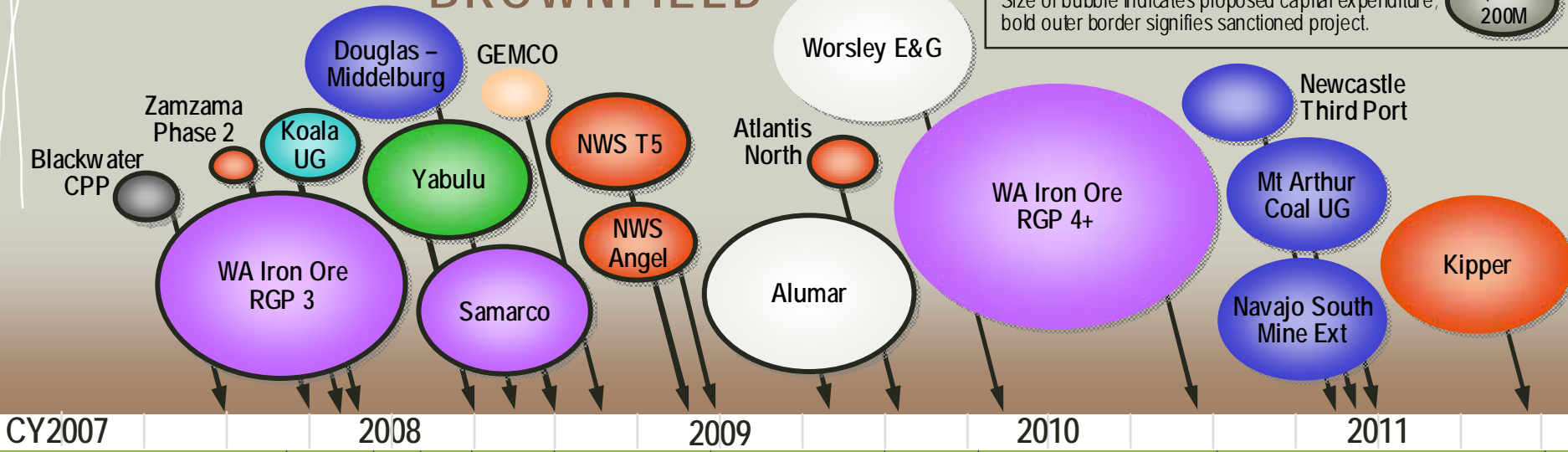


Deep inventory of growth projects

BROWNFIELD

As at 31 December 2006
 Size of bubble indicates proposed capital expenditure;
 bold outer border signifies sanctioned project.

\$US
200M



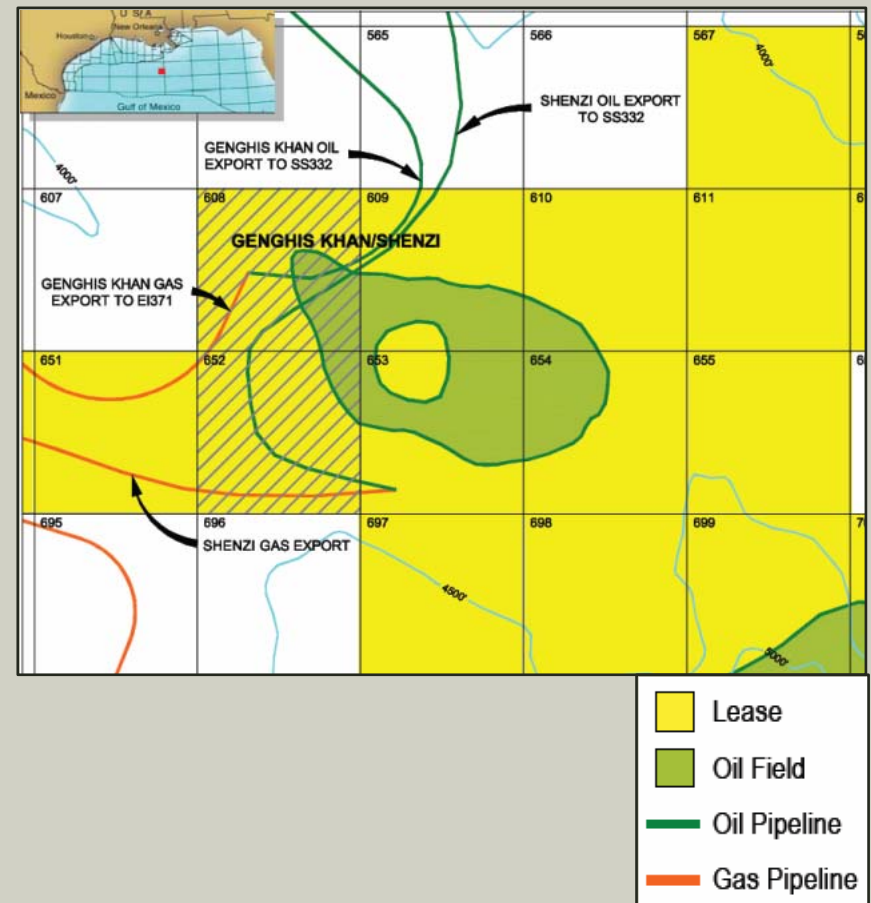
- CSG
- Petroleum
 - Aluminium
 - Diamonds
 - SSM
 - Iron Ore
 - Met Coal
 - Manganese
 - Energy Coal

GREENFIELD



Creating new options

- MMC Norilsk Nickel Alliance
- Genghis Khan (44% interest)
 - US\$583 million acquisition and US\$365 million development costs
 - Reserves range: 65 - 170 mboe
 - First oil: mid CY2007
 - Contiguous to Shenzi field, leveraging field knowledge
- Canadian Potash
 - Saskatchewan and Manitoba
 - 4,300 sqKm with high potential for economic mineralisation
 - Team in Vancouver
 - Analysis progressing well



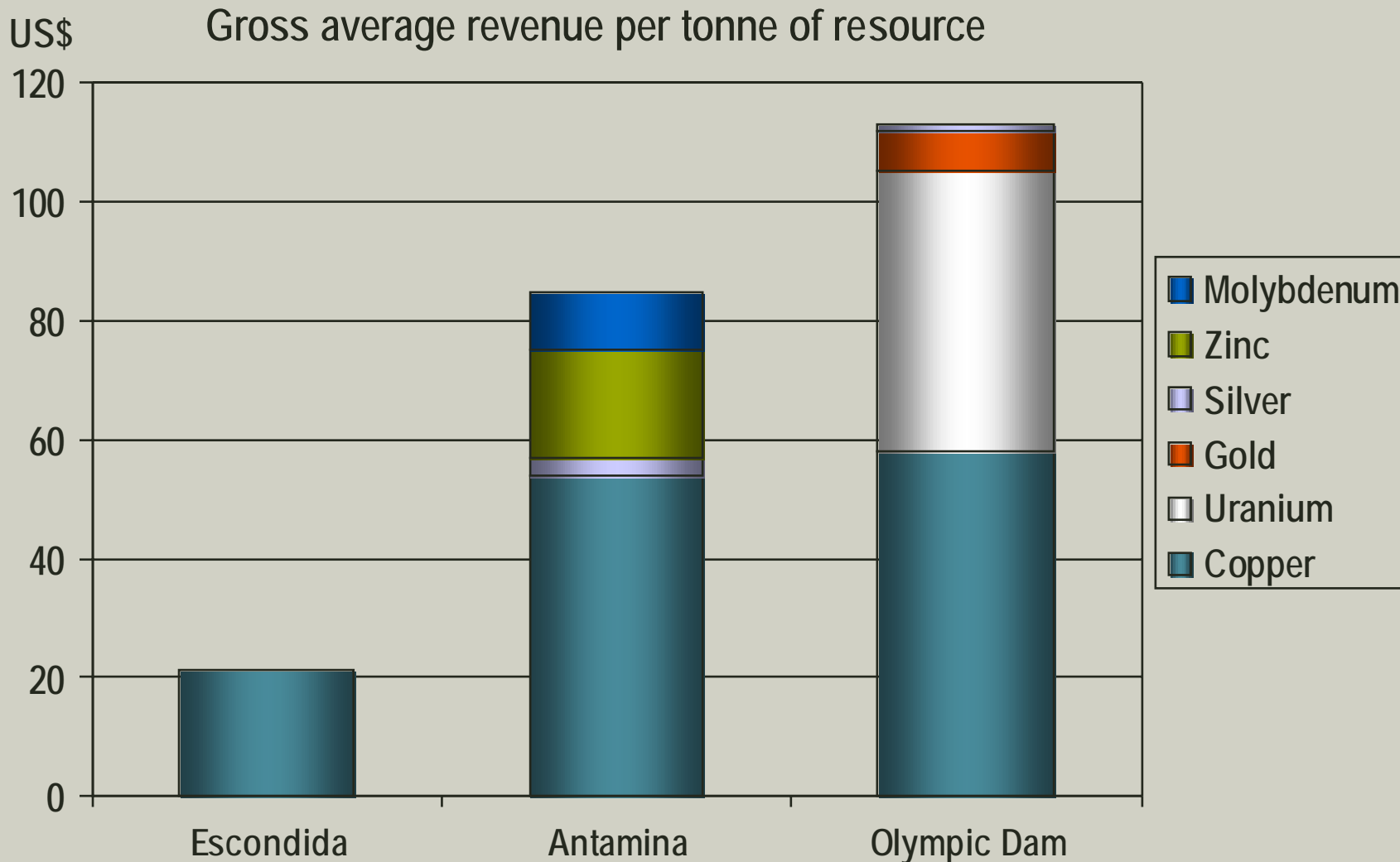
Olympic Dam – A world class resource

- World class mineral resource
 - Largest known Uranium mineral deposit
 - Sixth largest Copper deposit
 - Top ten gold deposit and significant silver deposit



- Pre-feasibility ongoing for up to 500,000tpa copper mine (15,000tpa uranium)
- Current resource supports a >50 year mine life at increased rate
- Operation of expanded facilities – ramp up from end 2013 to 2015

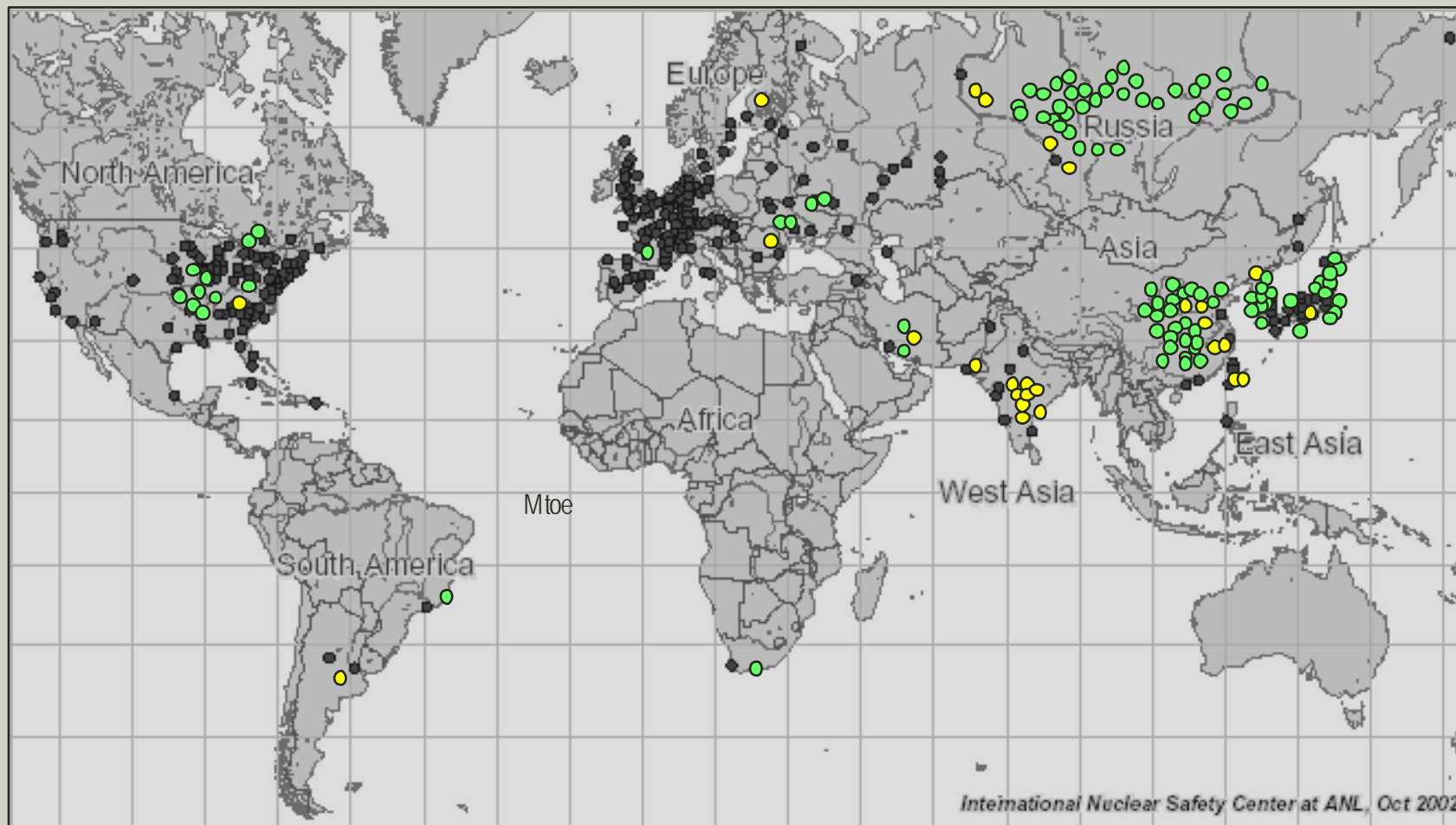
Why is Olympic Dam so valuable?



- a) Resources, metal grades and recover rates obtained from the FY2006 Annual Report (except for Moly).
- b) Moly recovery rates for Antamina provided by Base Metals.
- c) Prices as at 31 Jan as per Financial times and Global InfoMine.

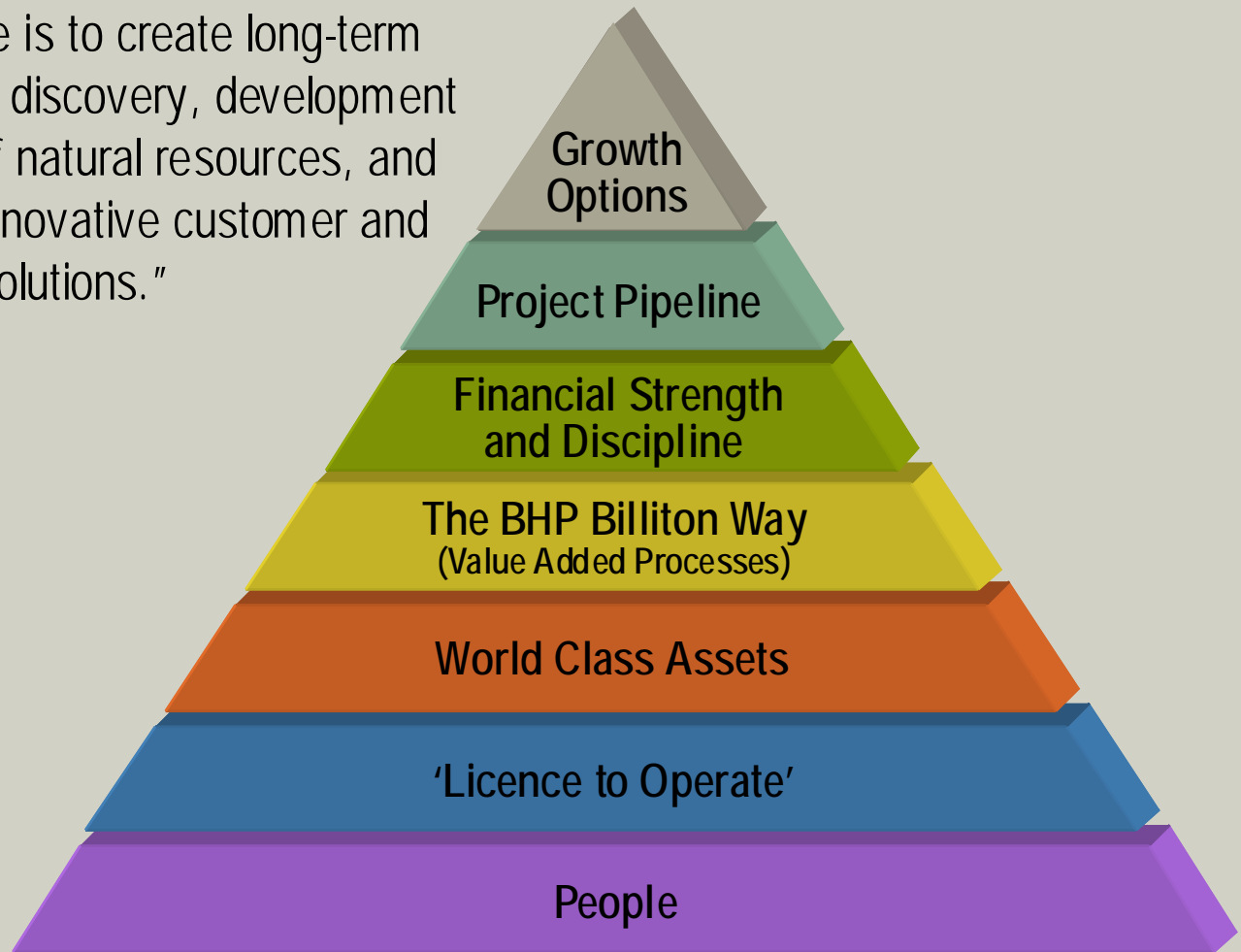
Nuclear growth will be especially strong in Asia

● Under construction - 27 ● Planned - > 80 ● Operational - 441



Strategic Framework

"Our core purpose is to create long-term value through the discovery, development and conversion of natural resources, and the provision of innovative customer and market-focused solutions."



Summary

- Continued excellent operating and financial results
- Global growth in 2007 to remain solid
- Project pipeline and global footprint offers excellent investment opportunities
- Consistent allocation of cashflow for long-term value creation





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Appendix



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Highlights

Half year ended December (US\$M)	2006	2005	% Change
Revenue (with JV share of revenue)	22,113	18,080	+22
Underlying EBITDA	10,494	7,971	+32
Underlying EBIT	9,134	6,671	+37
EBIT – Profit from operations	8,519	6,259	+36
Attributable profit	6,168	4,364	+42
Net operating cash flow	7,018	4,308	+63
EPS (US cents)	103.9	72.1	+44
Underlying EBITDA interest cover (times)	46.7	41.2	+13
Dividends per share (US cents)	20.0	17.5	+14

Cash flow

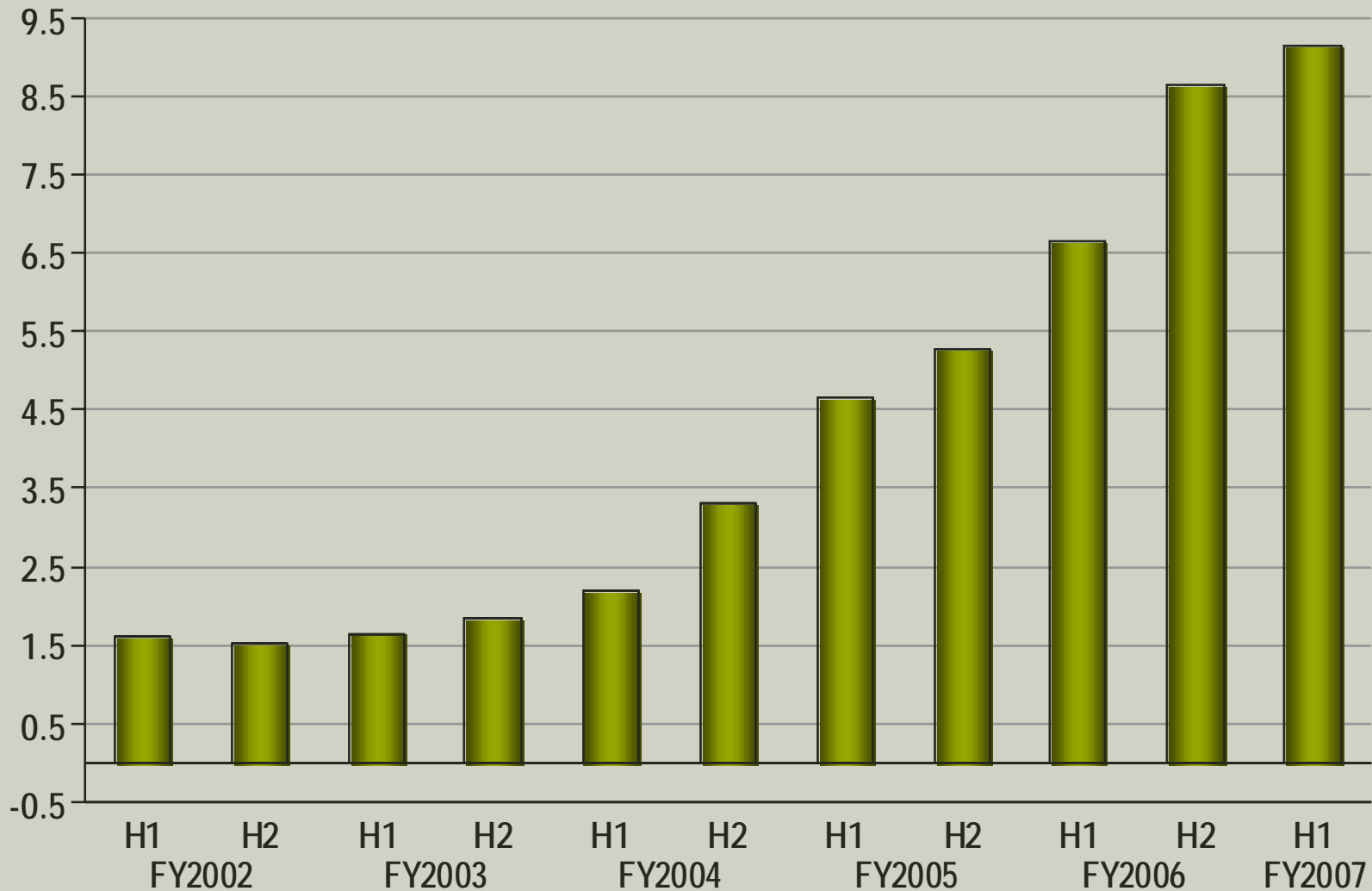
Half year ended December (US\$M)	2006	2005
Operating cash flow and JV dividends ⁽¹⁾	9,578	6,257
Net interest paid	(169)	(149)
Tax paid ⁽²⁾	(2,391)	(1,800)
Net operating cash flow	7,018	4,308
Capital expenditure	(3,092)	(2,317)
Exploration expenditure	(304)	(348)
Purchases of investments	(64)	(505)
Proceeds from sale of fixed assets & investments	308	256
Net cash flow before dividends and funding	3,866	1,394
Dividends paid	(1,122)	(989)
Net cash flow before funding & buy-backs	2,744	405

(1) Operating cash flow includes dividends received from jointly controlled entities, which typically differ from our share of profits recognised from those entities.

(2) Includes royalty related taxes paid.

EBIT⁽¹⁾ growth since July 2001

US\$bn

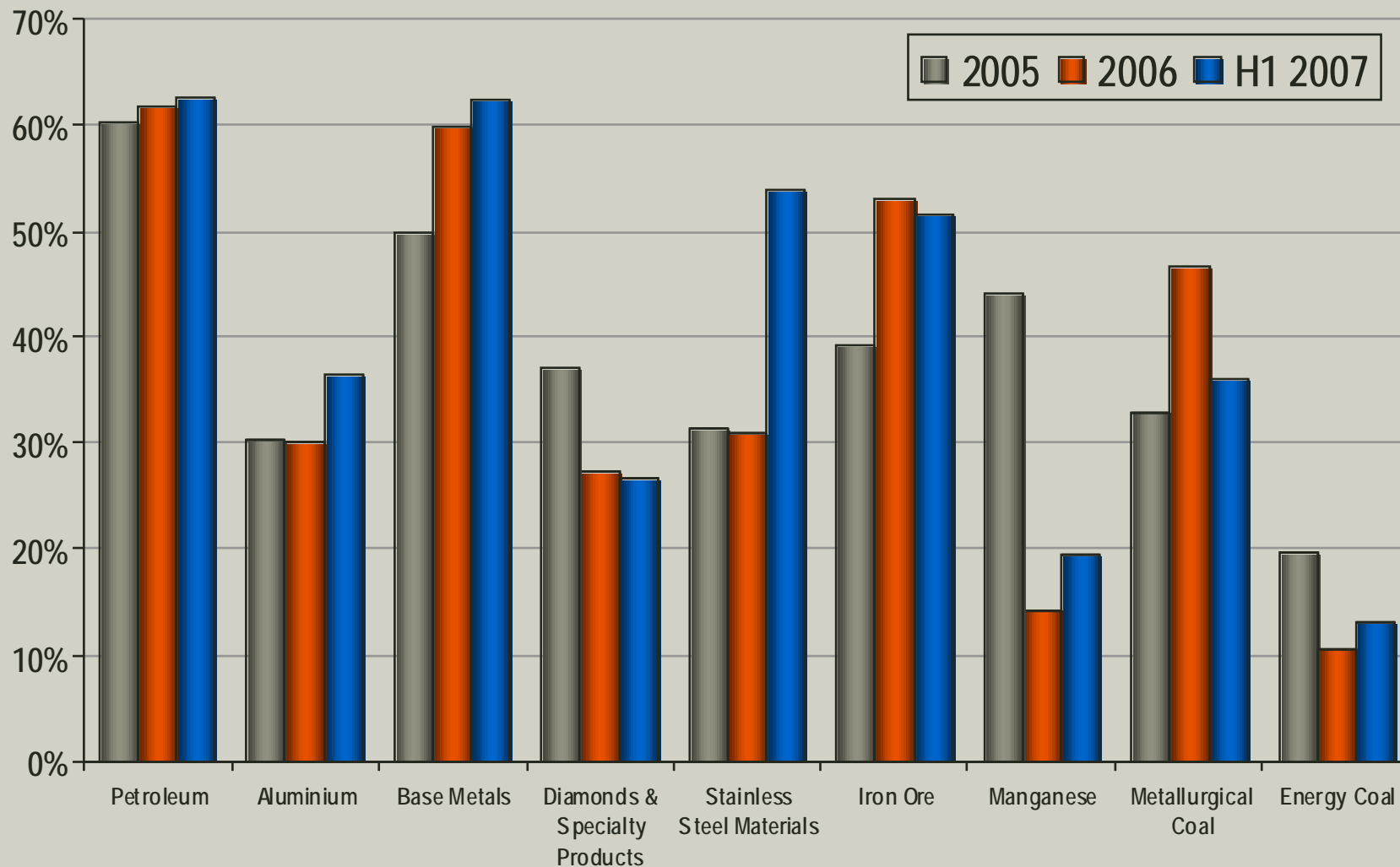


Interim Results

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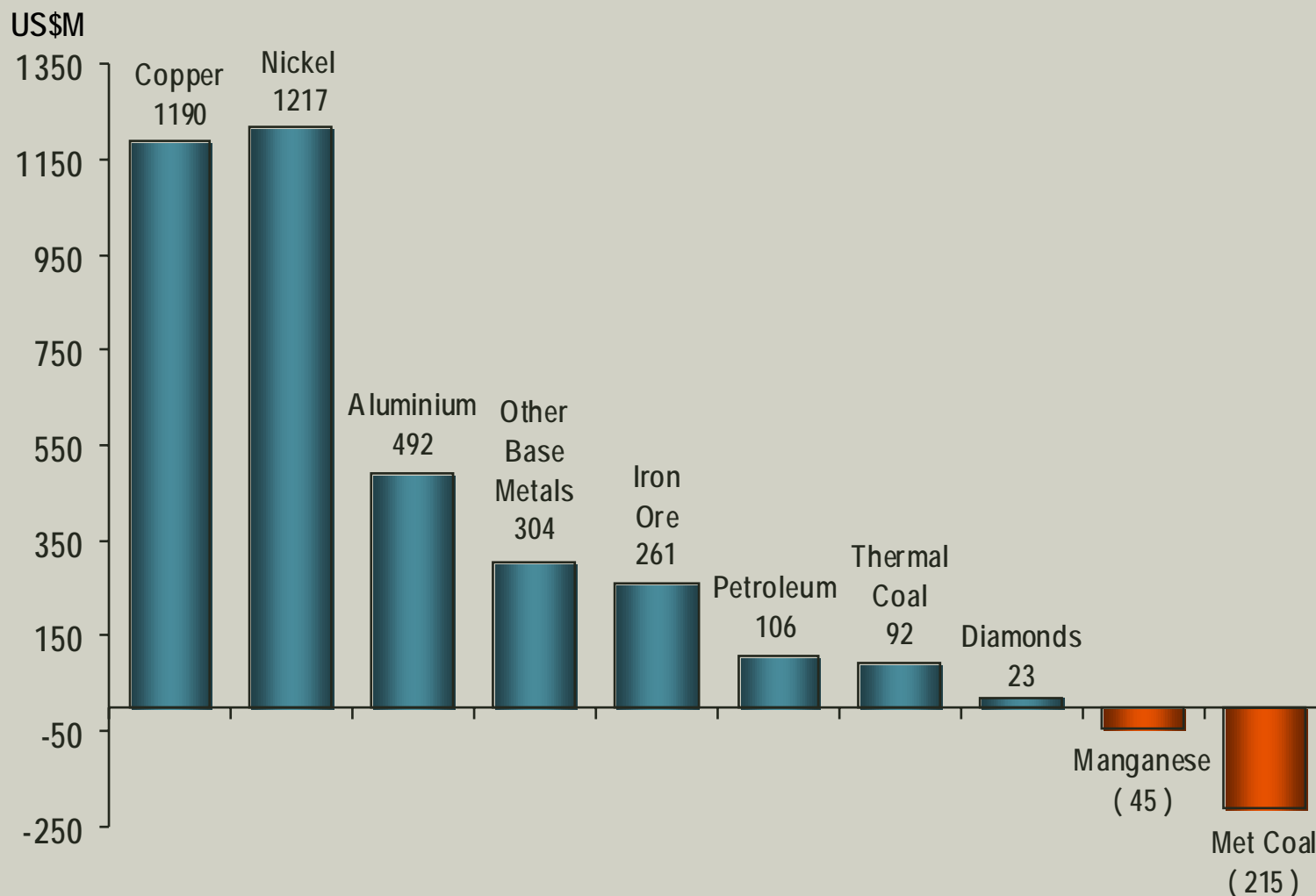
(1) FY2005, FY2006 and H1 2007 data is calculated on the basis of Underlying EBIT. Prior periods are calculated under UKGAAP.

Outstanding assets EBIT margin⁽¹⁾ by Customer Sector Group

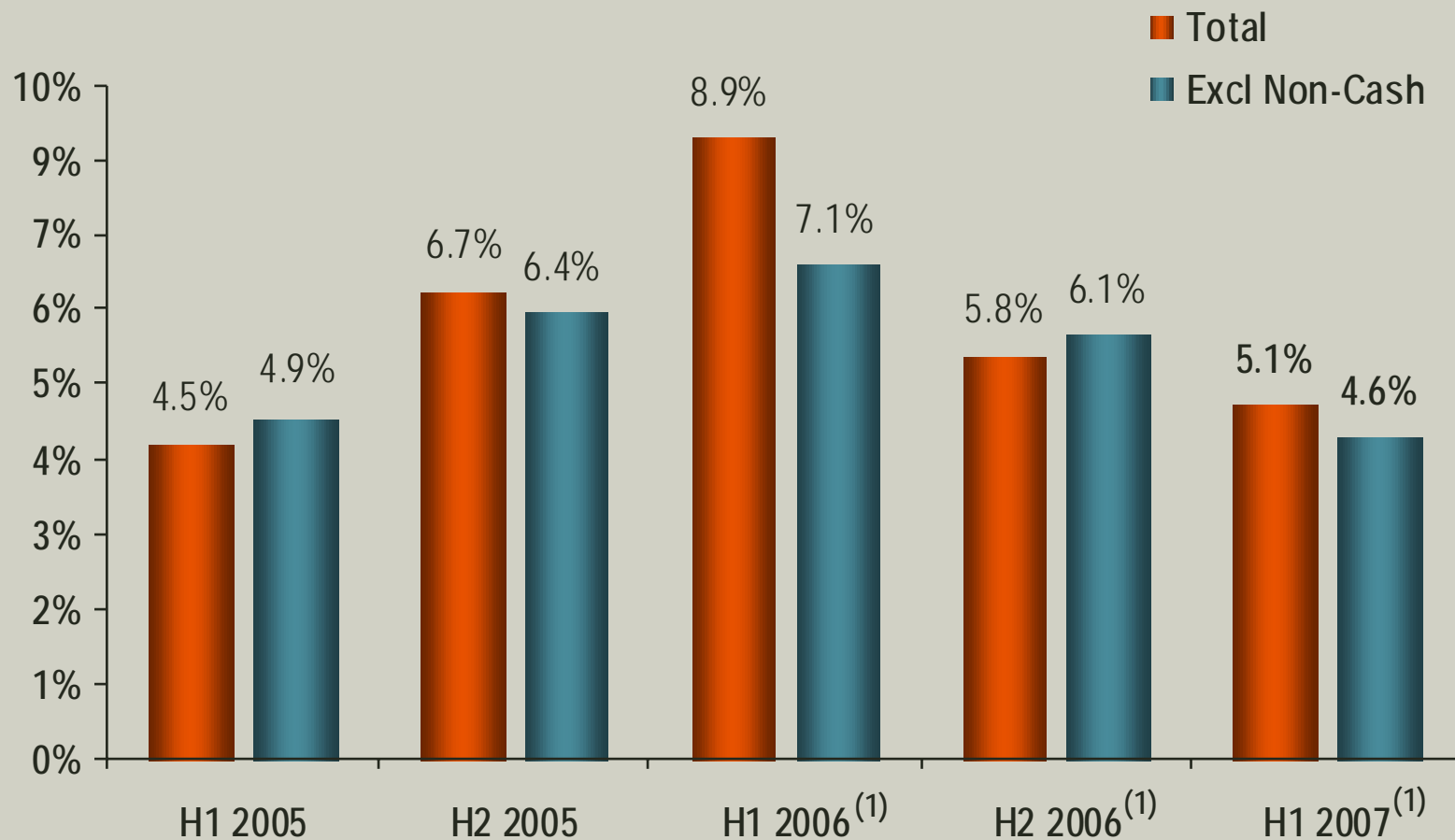


Impact of major commodity price Half year ended Dec 2006 vs Dec 2005

Total price variance US\$3,425 million



Declining rate of cost increase

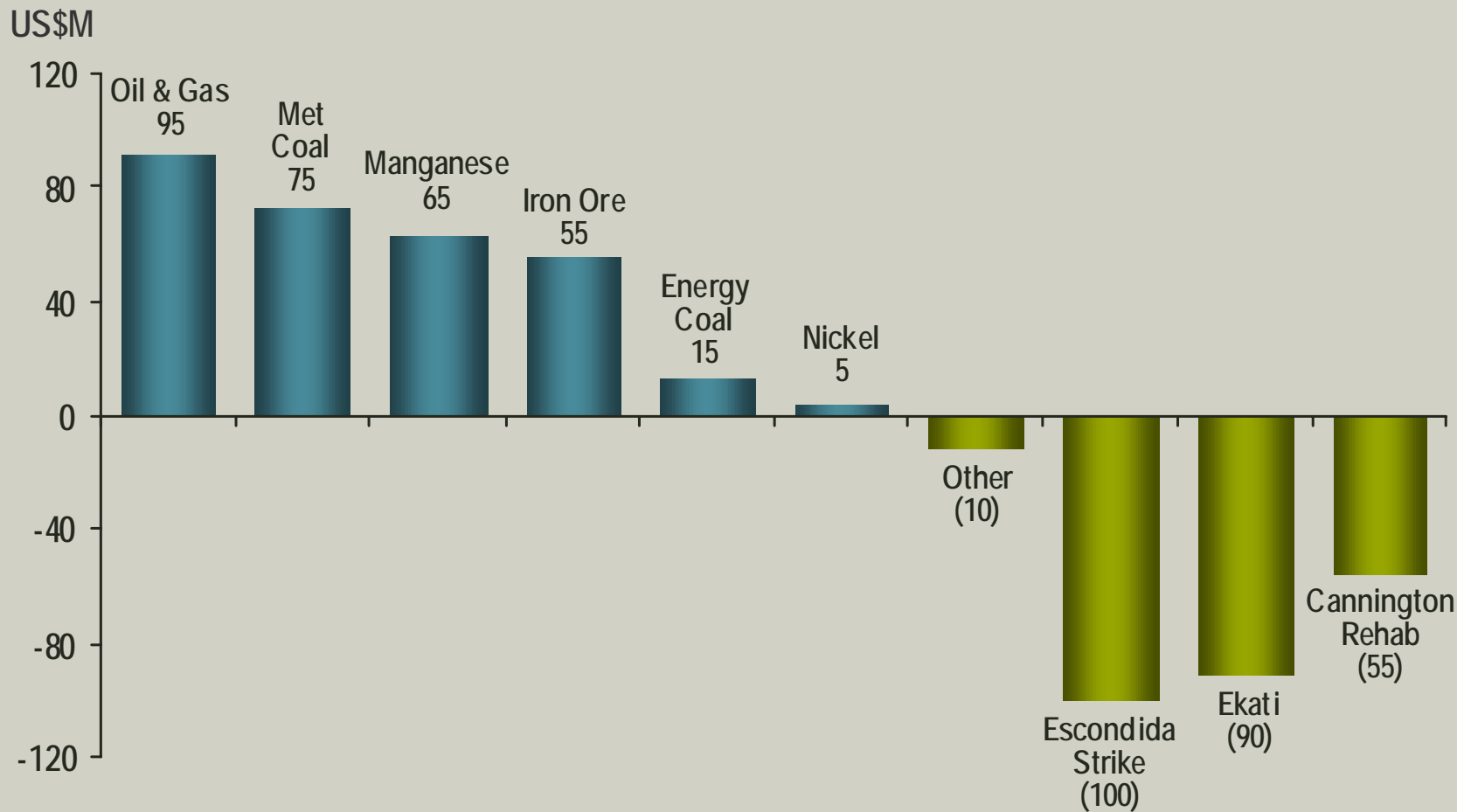


(1) H1 2006, H2 2006 and H1 2007 are shown on the basis of Underlying EBIT. Prior periods are calculated under UKGAAP.

Impact of major volume changes

Half year ended Dec 06 vs Half year ended Dec 05

Total volume variance US\$55 million



Global commodity consumption

	Al	Cu	Ni	Fe Ore ¹	Steel ²	Oil ²	Energy ²
China	25	22	18	44	31	8	15
India	3	2	3	0	4	3	4
USA	18	13	10	1	10	25	22
Japan	7	7	14	19	7	7	5
Europe	23	25	34	4	19	20	23
Other	24	31	20	32	29	37	32
Total Percent	100	100	100	100	100	100	100

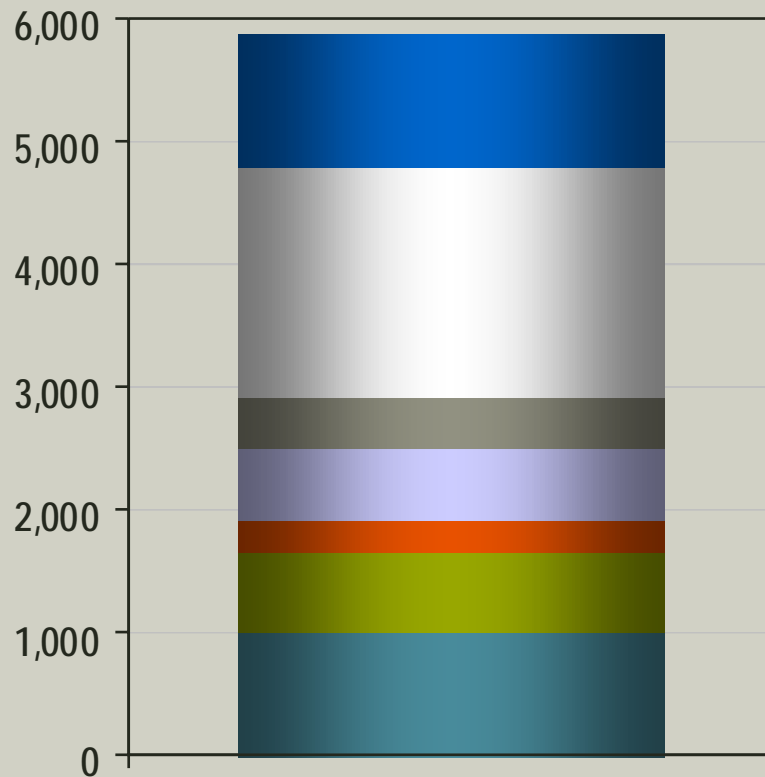
1 Seaborne traded iron ore

2 Data for 2005

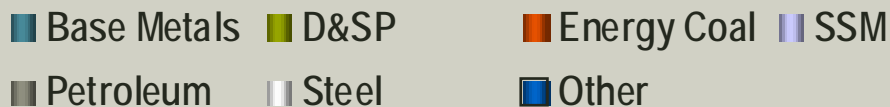
Source: CRU, Brook Hunt, BP Statistical Review of Energy, IISI, BHP Billiton

Portfolio management – US\$5.9bn of disposals

US\$M



Sale Proceeds

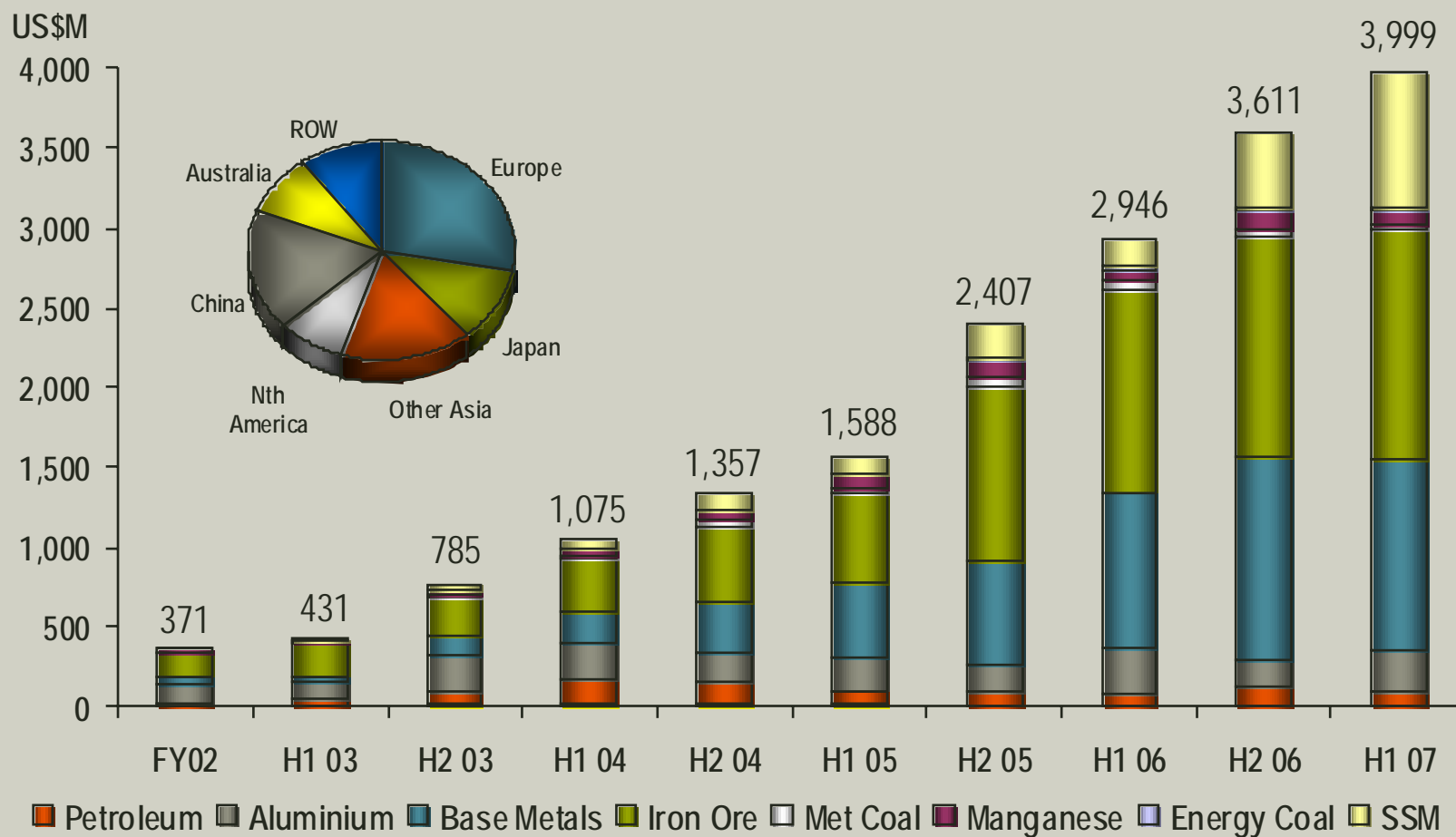


Proceeds from sale of assets	US\$M
Dec 2006	326
FY 2006	934
FY 2005	1,035
FY 2004	277
FY 2003 ⁽¹⁾	2,472
FY 2002	845
Total proceeds	5,889

(1) Includes BHP Steel demerger and BHP Steel loans (net of cash disposed and costs)

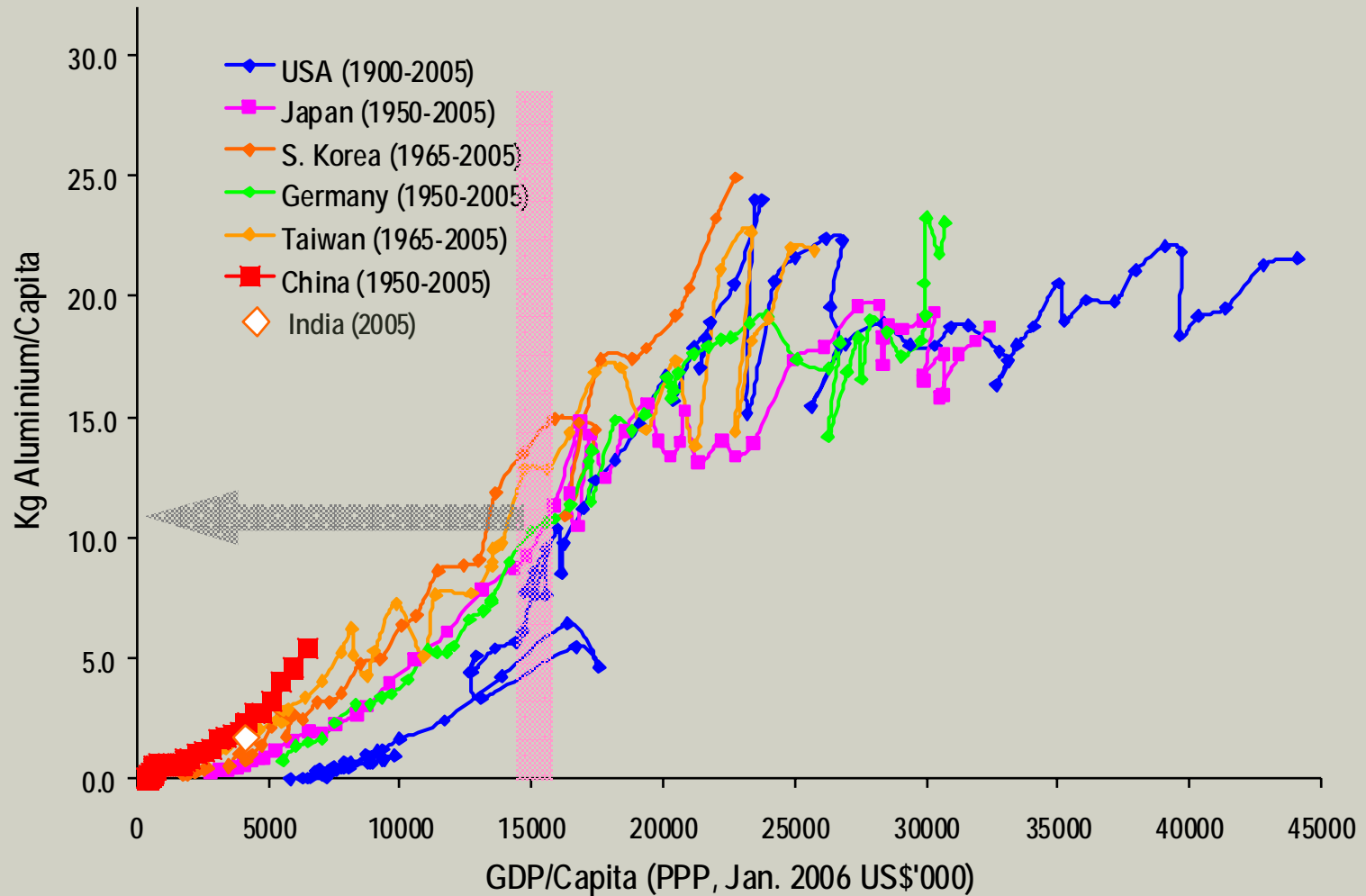
China

- Sales into China increasing but diversification remains
- Currently 18.1% of total company revenues

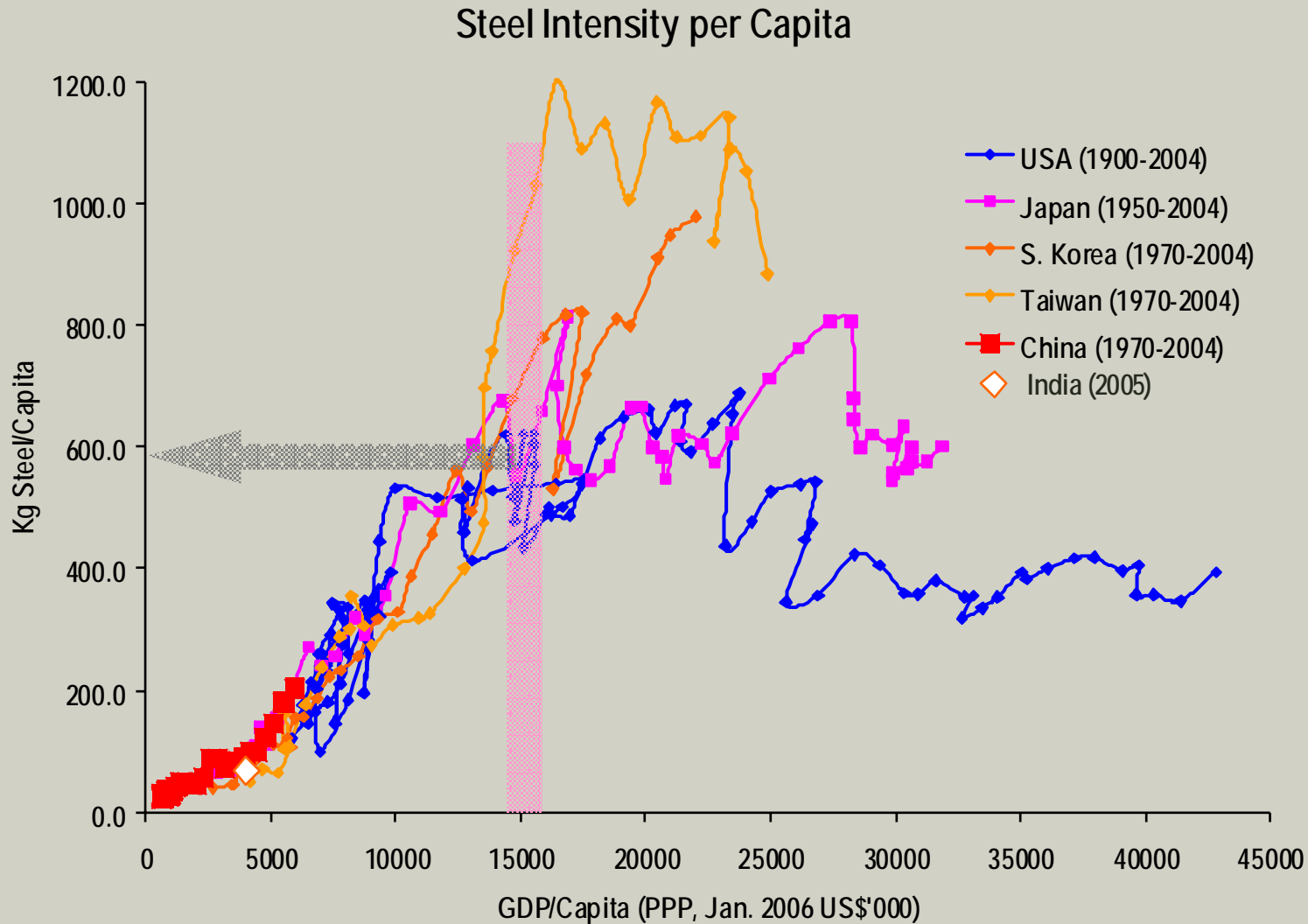


China's aluminium consumption – following the path of other developed economies

Aluminium Intensity per Capita

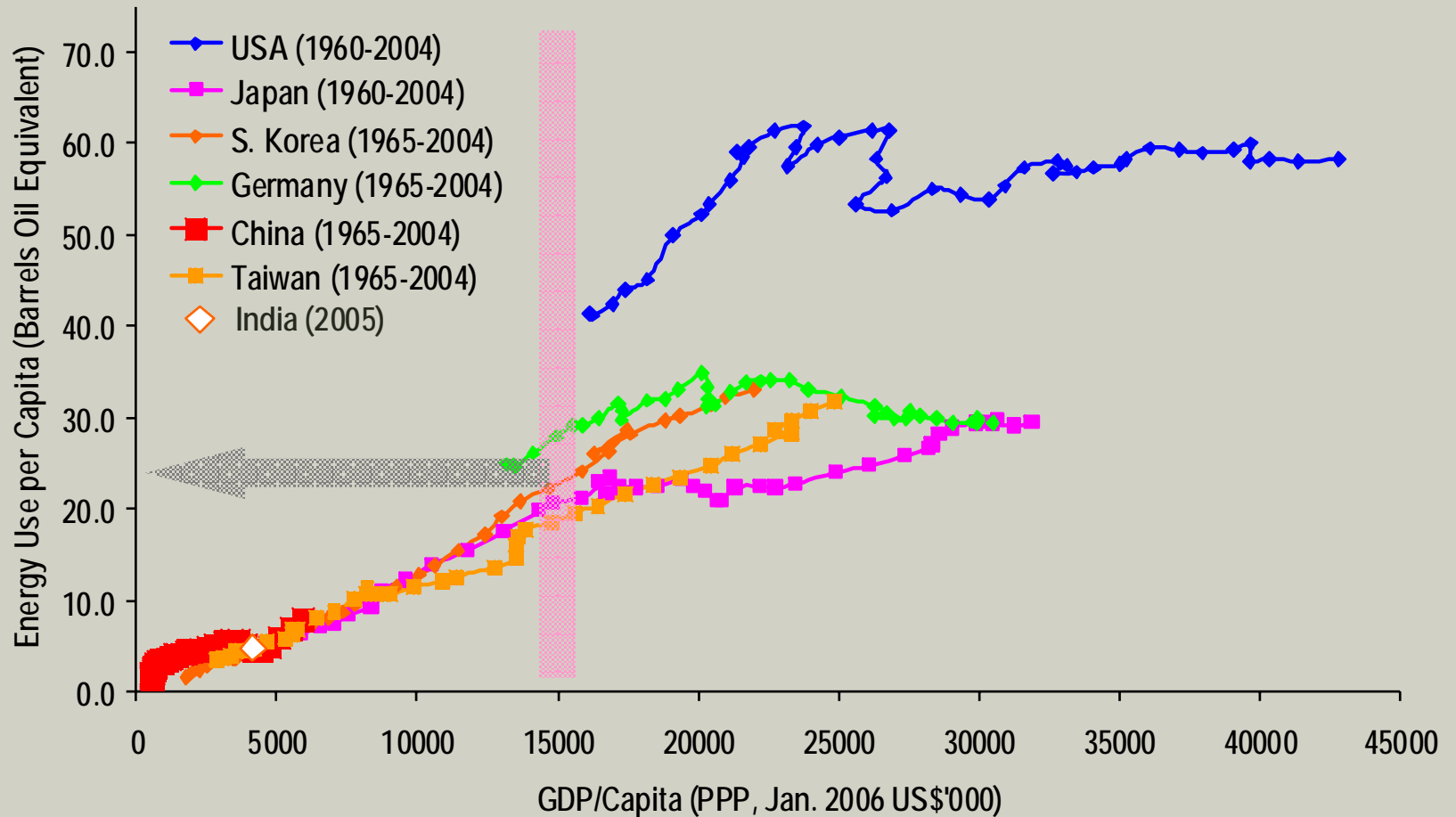


China's steel consumption – following the path of other developed economies

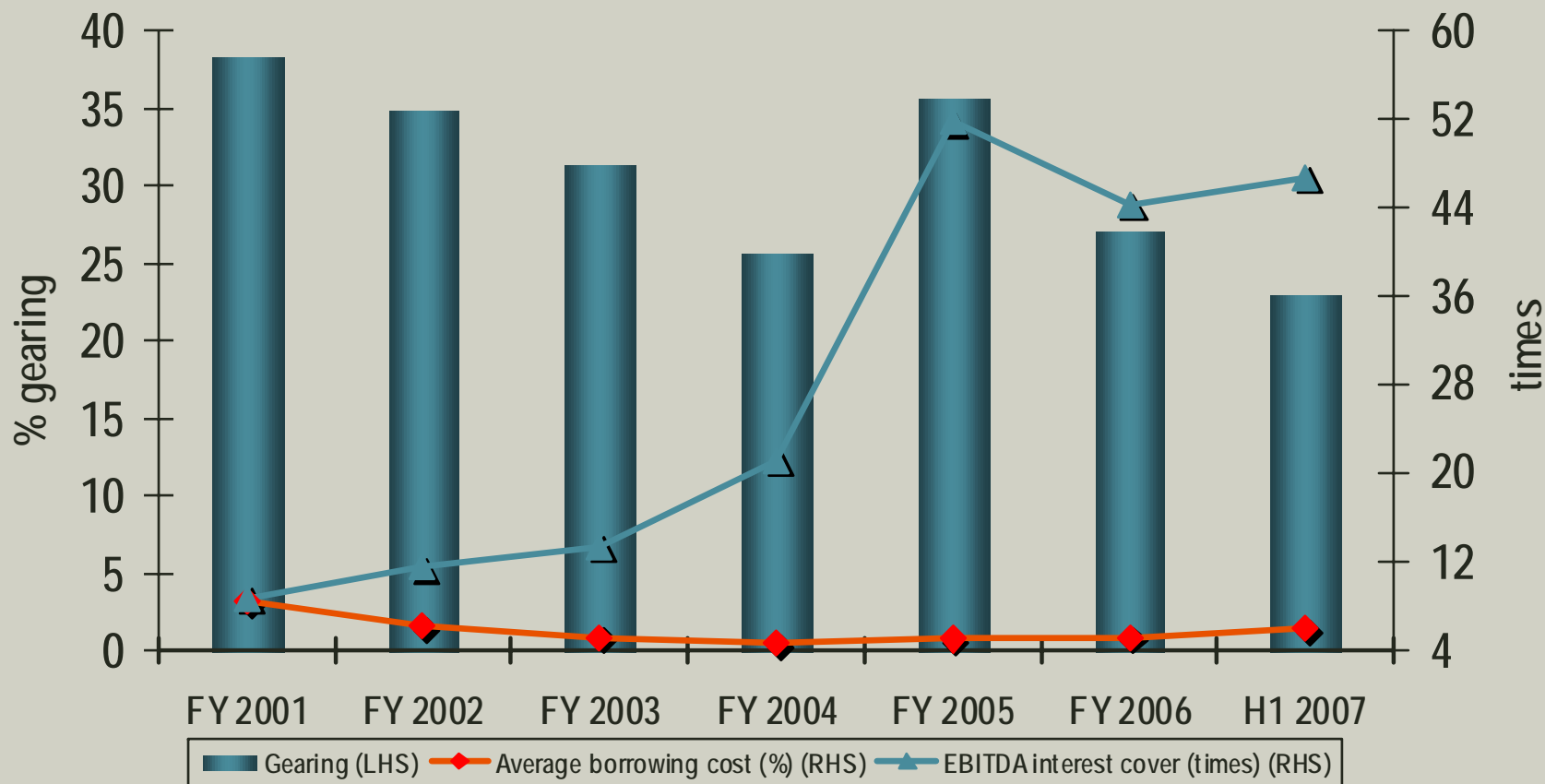


China's energy consumption – following the path of other developed economies

Energy Intensity per Capita



Financial flexibility



Moody's Investment Services

A3 ————— A2 ————— A1 —————> A1

Standard & Poor's

A- — A ————— A+ —————> A+

Sanctioned development projects (US\$10.72bn)

Minerals Projects	Commodity	Share of Approved Capex US\$M	Initial Production Target Date	Production Capacity (100%)	Progress
Alumar Refinery Expansion (Brazil) – 36%	Alumina	725	Q2 CY09	2 million tpa	Revised schedule and budget.
Western Australia Iron Ore RGP 3 (Australia) – 85%	Iron Ore	1,300	Q4 CY07	20 million tpa	On time and budget.
Samarco Third Pellet Plant (Brazil) – 50%	Iron Ore	590	H1 CY08	7.6 million tpa	On time and budget.
Blackwater Coal Preparation Plant (Australia) – 50%	Met Coal	100	Mid CY07	New coal handling and processing facility to replace the three existing plants	Revised schedule and cost under review.
Koala Underground (Canada) – 80%	Diamonds	200	End CY07	3,300 tonnes per day ore processed	On time and budget.
Ravenshorpe (Australia) – 100%	Nickel	2,200	Q1 CY08	Up to 50,000 tpa contained nickel in concentrate	Revised schedule and budget.
Yabulu (Australia) – 100%	Nickel	556	Q1 CY08	45,000 tpa nickel	Revised schedule and budget.

Sanctioned development projects (US\$10.72bn) cont.

Petroleum Projects	Commodity	Share of Approved Capex US\$M	Initial Production Target Date	Production Capacity (100%)	Progress
Atlantis South (US) – 44%	Oil/gas	1,500	Under review. Forecast H2 CY07	200,000 barrels and 180 million cubic feet gas per day	Revised cost and schedule under review.
Genghis Khan (US) – 44%	Oil/gas	365	Mid CY07	55,000 barrels per day	On time and budget.
Zamzama Phase 2 (Pakistan) – 38.5%	Gas	46	Q3 CY07	150 million cubic feet gas per day	On time and budget.
Neptune (US) – 35%	Oil/Gas	300	End CY07	50,000 barrels and 50 million cubic feet gas per day	On time. Experiencing cost pressure.
Stybarrow (Australia) – 50%	Oil/Gas	300	Q1 CY08	80,000 barrels per day	On time. Experiencing cost pressure.
North West Shelf 5th Train (Australia) – 16.67%	LNG	300	Late CY08	LNG processing capacity 4.2 million tpa	On time and revised budget.

Sanctioned development projects (US\$10.72bn) cont.

Petroleum Projects (cont'd)	Commodity	Share of Approved Capex US\$M	Initial Production Target Date	Production Capacity (100%)	Progress
North West Shelf Angel (Australia) – 16.67%	Oil/Gas	200	End CY08	800 million cubic feet gas per day	On time and budget.
Shenzi (US) – 44%	Oil/gas	1,940	Mid CY09	100,000 barrels and 50 million cubic feet of gas per day	On time and budget.
Atlantis North (US) – 44%	Oil/Gas	100	H2 CY09	Tie-back to Atlantis South	Revised schedule. On budget.

Development projects in feasibility

Minerals Projects (US\$5.13bn)	Commodity	Estimated Share of Capex* US\$M	Forecast Initial Production*	Project Capacity (100%)*
Worsley Efficiency and Growth (Australia) – 86%	Alumina	700 ⁽¹⁾	End CY09 ⁽¹⁾	800,000 tpa ⁽¹⁾
Bakhuis (Suriname) – 45%	Bauxite	320	H2 CY09	6.9 million tpa bauxite
Western Australia Iron Ore RGP 4+ (Australia) – 85%	Iron Ore	1,800	H1 CY10	Increase system capacity to 152 million tpa
Maruwai Stage 1 (Indonesia) – 100%	Met Coal	50	End CY08	1 million tpa clean coal
Maruwai (Indonesia) – 100%	Met Coal	405	H1 CY11	5 million tpa clean coal
GEMCO (Australia) – 60 %	Mn Ore	90	H2 CY08	1 million tpa
Douglas-Middelburg Optimisation (South Africa) – 84%	Energy Coal	460	H1 CY08	Optimisation of existing reserve base
Newcastle Third Port (Australia) – 35.5%	Energy Coal	230	End CY10	Third coal berth capable of handling an estimated 30 million tpa

* Indicative only

(1) Project design, scope and schedule being reassessed

Development projects in feasibility

Minerals Projects (US\$5.13bn)	Commodity	Estimated Share of Capex* US\$M	Forecast Initial Production*	Project Capacity (100%)*
Mt Arthur Coal UG (Australia) – 100%	Energy Coal	475	End CY10	7 million tpa saleable coal
Navajo South Mine Extension (USA) – 100%	Energy Coal	480	End CY10	5.7 million tpa saleable coal
Cliffs Nickel Project (Australia) – 100%	Nickel	115	H1 CY08	Maintain Nickel West system capacity

Petroleum Projects (US\$1.70bn)	Commodity	Estimated Share of Capex* US\$M	Forecast Initial Production*	Project Capacity (100%)*
Pyrenees (Australia) – 71.43% WA-12-R and 40% WA-155-P	Oil/Gas	1,100	H1 CY10	100,000 barrels per day
Kipper (Australia) – 32.5%	Oil/Gas	600	H1 CY11	170 million cubic feet gas per day

* Indicative only

Key net profit sensitivities

Approximate impact ⁽¹⁾ on FY07 net profit after tax of changes of:	(US\$M)
US\$1/t on iron ore price	60
US\$1/bbl on oil price	25
US\$1/t on metallurgical coal price	20
USc1/lb on aluminium price	20
USc1/lb on copper price	20
US\$1/t on energy coal price	25
USc1/lb on nickel price	2
AUD (USc1/A\$) Operations ⁽²⁾	55
RAND (0.2 Rand/US\$) Operations ⁽²⁾	35



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Capital Management Programme

7 February 2007



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Certain statements contained in this presentation, including statements regarding the implementation of our capital management programme and its effect on our business, may constitute "forward-looking statements" for the purposes of applicable securities laws. BHP Billiton Limited undertakes no obligation to revise the forward-looking statements included in this presentation to reflect any future events or circumstances. Our actual results, performance or achievements could differ materially from the results expressed in, or implied by, these forward-looking statements. Factors that could cause or contribute to such differences include the number of shares bought back pursuant to the invitation to participate in the Buy-Back, the Buy-Back Price and general trading and economic conditions affecting BHP Billiton.

Off-market buy-back overview

Target size	<ul style="list-style-type: none">• A maximum of A\$3.25bn (c. US\$2.5bn)• Represents 4.3% of BHP Billiton Ltd issued share capital (2.6% of DLC) ¹• Flexibility to vary size depending on shareholder demand and the Buy-Back Price
Tender discount range	<ul style="list-style-type: none">• Eligible shareholders may tender their shares at 5 specified discounts from 10% to 14% inclusive (at 1% intervals) to the Market Price or as a Final Price Tender• Market Price will be calculated as the VWAP (excluding not "at-market" trades) of BHP Billiton Limited shares over the 5 trading days up to and including the Buy-Back closing date (23 March 2007)
Buy-Back Price	<ul style="list-style-type: none">• Buy-Back Price will be the largest discount that allows BHP Billiton to purchase the targeted amount of capital• A\$2.50 fixed cash capital component ²• Balance deemed a fully franked dividend for Australian tax purposes

¹ Assuming a Buy-Back of A\$3.25bn and a Buy-Back Price of A\$21.50 per share.

² Shareholders (other than those taxed as companies) will be taken for Australian tax purposes to have sold their shares for A\$2.50 plus any excess of the Tax Value over the Buy-Back Price.

Off-market buy-back overview (continued)

Timetable & tax implications	<ul style="list-style-type: none">• 3 week tender period opens 5 March 2007 and closes at 7pm, 23 March 2007• Shares acquired on or before 8 February 2007 will generally comply with the 45-day rule (qualify for the benefit of dividend franking)• Shareholders will be able to buy shares in BHP Billiton Ltd on or after the ex-date of Monday, 12 February 2007, on an ex-entitlement basis, without jeopardising their ability to claim franking credits on other shares held at risk for the required 45 days
Tax Value adjustment	<ul style="list-style-type: none">• The Tax Value will be the 5-day VWAP of BHP Billiton Limited shares on the ASX up to and including 6 February 2007 and will be adjusted for the movement in the BHP Billiton Plc share price from the closing price on the London Stock Exchange on 6 February 2007 to the opening price on the London Stock Exchange on the closing date of the Buy-Back (23 March 2007)
Dividend entitlement	<ul style="list-style-type: none">• Registered shareholders will be entitled to BHP Billiton's half year dividend regardless of whether they tender their shares into the Buy-Back

Tender rules

Eligibility	<ul style="list-style-type: none">• Shares acquired before the Buy-Back ex-date (Monday, 12 February 2007) will confer an entitlement to participate in the Buy-Back• Ineligible shareholders - US and Canadian shareholders, other Excluded Foreign Persons• ADRs and Restricted Employee Shares are not eligible to be tendered into the Buy-Back
Acceptance	<ul style="list-style-type: none">• All successfully tendered shares will receive the same Buy-Back Price• Shares tendered at or below the Buy-Back Price or as a Final Price Tender will be bought back, subject to any required scale back• Holders of 200 Shares or less must tender all their shares, and holders of more than 200 Shares must tender at least 200 Shares.• Shares tendered above the Buy-Back Price will not be bought back
Scale Back	<ul style="list-style-type: none">• A priority allocation of up to 200 shares tendered at the Buy-Back Price will be bought back before any scale back applies• Tenders will be scaled back if the total number of shares tendered at or below the Buy-Back Price is greater than the number of shares BHP Billiton Ltd wants to buy• The scale back provisions apply so that successful participants who tender all their shares at or below the Buy-Back Price and/or as a Final Price Tender will not be left with 80 shares or less
Minimum Price condition	<ul style="list-style-type: none">• Acceptance of Tenders can be made conditional on the Buy-Back Price being no less than one of the four specified Minimum Prices set out on the tender form

Key dates for off-market buy-back

Event	Date (2007)
Cut-off date for franking credit entitlement under 45-day rule ¹	Thursday, 8 February
Ex-date for Buy-Back entitlement ²	Monday, 12 February
Buy-Back Record Date	Friday, 16 February
Mail-out of Buy-Back booklet and tender forms completed by	Wednesday, 28 February
Buy-Back tender period opens	Monday, 5 March
Buy-Back tender period closes (7pm Melbourne time)	Friday, 23 March
Announcement of Buy-Back Price and any scale back	Monday, 26 March
Dispatch/crediting of Buy-Back proceeds to participating shareholders	Monday, 2 April

¹ Shares acquired after this date will not satisfy the 45-day rule, but some tax payers may be exempt. Shareholders should seek their own tax advice.

² Assuming normal ASX trading ex-entitlement

Worked Australian tax examples

	Superfund	Australian resident individuals ¹				
		\$0-\$6,000	\$6,001-\$25,000	\$25,001-\$75,000	\$75,001-\$150,000	\$150,000+
Income						
Marginal tax rate	15%	0.00%	16.50%	31.50%	41.50%	46.50%
Income tax consequences (deemed dividend)						
Illustrative Buy-Back Price	\$21.50	\$21.50	\$21.50	\$21.50	\$21.50	\$21.50
Less: capital component	(\$2.50)	(\$2.50)	(\$2.50)	(\$2.50)	(\$2.50)	(\$2.50)
Assumed fully franked deemed dividend ²	\$19.00	\$19.00	\$19.00	\$19.00	\$19.00	\$19.00
Add: gross up for franking credits	\$8.14	\$8.14	\$8.14	\$8.14	\$8.14	\$8.14
Assessable income	\$27.14	\$27.14	\$27.14	\$27.14	\$27.14	\$27.14
Tax on assessable income	(\$4.07)	\$0.00	(\$4.48)	(\$8.55)	(\$11.26)	(\$12.62)
Tax offset ³	\$8.14	\$8.14	\$8.14	\$8.14	\$8.14	\$8.14
Net tax offset (tax payable) on franked deemed dividend	\$4.07	\$8.14	\$3.66	(\$0.41)	(\$3.12)	(\$4.48)
After tax proceeds ³	\$23.07	\$27.14	\$22.66	\$18.59	\$15.88	\$14.52
CGT consequences (capital)						
Capital component	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50
Add: excess Tax Value over Buy-Back Price ⁴	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50
Less: Illustrative cost base	(\$15.00)	(\$15.00)	(\$15.00)	(\$15.00)	(\$15.00)	(\$15.00)
Nominal capital gain/ (loss) on disposal	(\$9.00)	(\$9.00)	(\$9.00)	(\$9.00)	(\$9.00)	(\$9.00)
Discount capital gain/ (loss) ⁵	(\$6.00)	(\$4.50)	(\$4.50)	(\$4.50)	(\$4.50)	(\$4.50)
Tax impact of capital gain/ loss ⁶	\$0.90	\$0.00	\$0.74	\$1.42	\$1.87	\$2.09
After tax proceeds ^{5,6}	\$3.40	\$2.50	\$3.24	\$3.92	\$4.37	\$4.59
Total after tax proceeds ^{5,6}	\$26.47	\$29.64	\$25.90	\$22.51	\$20.25	\$19.11

Footnotes 1 – 6: See Appendix

Shareholders should seek their own financial advice

Appendix: Footnotes to worked Australian tax examples

- (1) The marginal tax rate includes the Medicare Levy of 1.5%. The Medicare Levy will depend on an individual's own circumstances.
- (2) This assumed fully franked deemed dividend (A\$19.00) is calculated as the assumed Buy-back Price of A\$21.50 less the fixed capital component of A\$2.50.
- (3) This assumes the shareholder is fully entitled to the franking credits.
- (4) This assumes, for illustrative purposes only, that the market value for tax purposes (the "Tax Value") of the shares is A\$25.00. The actual Tax Value will be adjusted for the movement in the BHP Billiton Plc share price from closing price on the London Stock Exchange on 6 February 2007 to the opening price on the London Stock Exchange on the Closing Date.
- (5) This assumes that the discount capital gain method is used, which adjusts the total capital gain by a discount factor (50 per cent for individuals; 33 1/3 per cent for complying superannuation funds). Although capital losses, as such, are not subject to discount, it is assumed that capital losses are offset against capital gains and that the net amount is then discounted. If capital losses are offset against capital gains which cannot be discounted (e.g. on assets held for less than 12 months), the tax impact of the capital loss will be greater (more favourable) than shown in the table.
- (6) This assumes shareholders will be able to fully utilise capital losses to offset capital gains derived from other assets. The capital loss, which arises under the Buy-Back, may be different to any capital gain/loss which may have arisen under an equivalent sale of Shares on-market. This is because the capital proceeds under the Buy-Back are the aggregate of A\$2.50 (the cash capital component) plus A\$3.50 (the excess of the assumed Tax Value over the assumed Buy-Back Price). The A\$3.50 is used for illustrative purposes only.