Financial results
Year ended
30 June 2016
Disclaimer

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Presentation of data
Unless specified otherwise: all data is presented on a continuing operations basis to exclude the contribution from assets that were demerged with South32; references to Underlying EBITDA margin exclude third party trading activities; data from subsidiaries is shown on a 100 per cent basis and data from equity accounted investments and other operations is shown on a proportionate consolidation basis. Queensland Coal comprises the BHP Billiton Mitsubishi Alliance (BMA) asset, jointly operated with Mitsubishi, and the BHP Billiton Mitsui Coal (BMC) asset, operated by BHP Billiton. Numbers presented may not add up precisely to the totals provided due to rounding.

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Financial results
Year ended 30 June 2016

Andrew Mackenzie Chief Executive Officer
## Solid performance in a challenging year

| Safety                                      | Committed to addressing consequences of the Samarco tailings dam failure  
|                                            | Zero fatalities at BHP Billiton operated sites                        |
| Volume                                     | Record WAIO and metallurgical coal production; strong conventional petroleum volumes  
|                                            | Offset by anticipated Escondida grade decline and deferral of Onshore US activity |
| Cost                                       | Unit cash costs across the Group down 16% from FY15<sup>1</sup>  
|                                            | Productivity gains of US$437 million (gains of US$2.0 billion excluding Escondida grade decline) |
| Financial results                         | Underlying EBITDA of US$12.3 billion; Underlying EBITDA margin of 41%  
|                                            | Underlying attributable profit of US$1.2 billion; Attributable loss of US$6.4 billion |
| Cash flow                                  | Net operating cash flow of US$10.6 billion  
|                                            | Free cash flow<sup>2</sup> of US$3.4 billion                             |
| Balance sheet                              | Net debt of US$26.1 billion  
|                                            | Liquidity of US$16.3 billion and long-dated maturity profile           |
| Dividend                                   | Final dividend of US$0.14 per share  
|                                            | Total FY16 dividend determined of US$0.30 per share                    |

<sup>1</sup> Presented on a continuing operations basis excluding BHP Billiton's share of volumes from equity accounted investments; operating cost per copper equivalent tonne calculated using FY16 realised prices.

<sup>2</sup> Free cash flow: net operating cash flows less net investing cash flows.
Committed to Samarco

- **Rehabilitation progressing well**
  - Germano and Santarem Dams reinforcement works continue
  - 90% of the 41 work programs initiated
  - community resettlement ongoing

- **Foundation established**
  - Framework Agreement is the appropriate long-term response

- **Expect findings of the external investigation into the cause of the dam failure to be released shortly**

- **Preparation for the wet season a priority**

- **Technical studies indicate Samarco can restart safely**
  - completion of stabilisation work, range of permits and community support required

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Samarco infrastructure

- Santarem Dam, November 2015
- Rebuilt Santarem Dam, March 2016

Environment

- Barra Longa, November 2015
- River stabilisation at Barra Longa, May 2016
Safety is paramount

• The health and safety of our people and communities always come first
  – tragically 19 lives were lost following the Samarco dam failure

• Strong safety performance at BHP Billiton operated sites
  – zero fatalities in FY16
  – TRIF of 4.3 per million hours worked
  – 20% reduction in high potential safety events
  – better investigation quality and learning from past events

1. FY06 to FY14 presented on a total operations basis.

Financial results
16 August 2016
Financial results
Year ended 30 June 2016

Peter Beaven  Chief Financial Officer
Asset quality and operating performance drive margins

- Underlying EBITDA of US$12.3 billion
  - Underlying EBITDA margin of 41%
  - 16% reduction in unit costs

- Underlying EBIT of US$3.5 billion

- Underlying attributable profit of US$1.2 billion
  - Attributable loss of US$6.4 billion
  - US$7.7 billion of exceptional items (after tax)

Leading margins through the cycle
(Underlying EBITDA margin\(^1\), %)

<table>
<thead>
<tr>
<th>Year</th>
<th>BHP Billiton</th>
<th>Peer group range</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY06</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY08</td>
<td></td>
<td></td>
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<tr>
<td>FY09</td>
<td></td>
<td></td>
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<tr>
<td>FY10</td>
<td></td>
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<tr>
<td>FY11</td>
<td></td>
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<tr>
<td>FY12</td>
<td></td>
<td></td>
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<tr>
<td>FY13</td>
<td></td>
<td></td>
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<tr>
<td>FY14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY16</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. BHP Billiton data for FY06 to FY14 presented on a total operations basis. Peer group comprises Anglo American, Rio Tinto and Vale.
2. Unit cost, EBITDA and EBITDA margins refer to Western Australia Iron Ore and Queensland Coal.

Financial results
16 August 2016
## Underlying EBITDA variance

<table>
<thead>
<tr>
<th>FY15</th>
<th>Price¹</th>
<th>Foreign exchange</th>
<th>Inflation</th>
<th>Sub-total</th>
<th>Growth volumes</th>
<th>Productivity volumes</th>
<th>Controllable cash costs</th>
<th>Fuel &amp; energy</th>
<th>Non-cash²</th>
<th>Other³</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.9</td>
<td>(10.7)</td>
<td>(0.3)</td>
<td>(0.4)</td>
<td>12.0</td>
<td>(0.8)</td>
<td>(0.2)</td>
<td>(0.3)</td>
<td>12.3</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Key Points

1. **External (US$9.9 billion)**: This represents factors external to the company, such as market conditions.
2. **Controllable US$0.3 billion**: These are costs the company can control, such as operational expenses.
3. **Underlying EBITDA variance**: This is the change in EBITDA, excluding price-linked costs and non-controllable factors.

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1. **Net of price-linked costs.**
2. **Non-cash includes deferred stripping depletion.**
3. **Other includes ceased and sold operations, asset sales, one-off items and other items (including profit/loss from equity accounted investments).**

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Financial results
16 August 2016
Financial impact of Samarco dam failure

- Investment in Samarco written down to US$nil at 31 December 2015

- US$1.2 billion provision at 30 June 2016 reflects uncertainty around potential restart
  - equivalent to 50% share of current estimate of Samarco’s funding obligations under terms of Framework Agreement
  - US$134 million funding support to Foundation’s reparatory and compensatory programs will be offset against provision

- Direct costs incurred by BHP Billiton¹ of US$70 million

- Samarco financial support made available for remediation and stabilisation work and to support operations
  - short-term funding facility of US$116 million for restart and working capital will be released only as required
  - safe restart is an important priority, along with the restructure of Samarco’s debt

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Equity accounted investment in Samarco

### Income statement impacts (US$ million)

<table>
<thead>
<tr>
<th></th>
<th>H1 FY16</th>
<th>H2 FY16</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of loss relating to dam failure &amp; impairment of carrying value of the investment in Samarco</td>
<td>(1,180)</td>
<td>-</td>
<td>(1,180)</td>
</tr>
<tr>
<td>BHP Billiton Brasil provision</td>
<td>-</td>
<td>(1,200)</td>
<td>(1,200)</td>
</tr>
<tr>
<td>Costs incurred directly by BHP Billiton¹ in relation to the Samarco dam failure</td>
<td>(8)</td>
<td>(62)</td>
<td>(70)</td>
</tr>
<tr>
<td>Total pre-tax Samarco dam failure exceptional expense</td>
<td>(1,188)</td>
<td>(1,262)</td>
<td>(2,450)</td>
</tr>
<tr>
<td>Income tax benefit / (expense)</td>
<td>330</td>
<td>(77)</td>
<td>253</td>
</tr>
<tr>
<td>Total Samarco dam failure exceptional expense</td>
<td>(858)</td>
<td>(1,339)</td>
<td>(2,197)</td>
</tr>
</tbody>
</table>

### Balance sheet impacts (US$ million)

<table>
<thead>
<tr>
<th></th>
<th>FY15</th>
<th>H1 FY16</th>
<th>H2 FY16</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in Samarco</td>
<td>1,044²</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>BHP Billiton Brasil provision</td>
<td>-</td>
<td>-</td>
<td>(1,200)</td>
<td>(1,200)</td>
</tr>
</tbody>
</table>

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1. Includes BHP Billiton Brasil and other BHP Billiton entities.
2. Excludes US$136 million representing share of operating profit prior to the dam failure on 5 November 2015.

Financial results
16 August 2016
Free cash flow provides optionality

- **Free cash flow of US$3.4 billion**
  - net operating cash flow of US$10.6 billion
  - capital and exploration expenditure of US$7.7 billion\(^1\)
  - working capital release of US$0.2 billion
  - ~40% reduction in Group overheads over 4 years\(^2\)

- **Balance sheet is strong**
  - net debt of US$26.1 billion
  - average debt maturity of 9 years
  - liquidity of US$16.3 billion
  - ‘A’ credit rating maintained\(^3\)

---

1. Cash basis. Capital and exploration expenditure of US$6.4 billion on a BHP Billiton share basis.
2. Excludes Samarco and Group capital expenditure.
3. Current credit rating of A (S&P) and A3 (Moody’s). We manage to a solid A credit rating through the cycle.
4. Includes purchase of shares by Employee Share Ownership Plan Trusts.
5. Non-cash movements include non-cash foreign exchange variance due to the revaluations of local currency denominated debt offset by non-cash fair value adjustment on hedged debt.

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### Financial results
16 August 2016
Disciplined capital allocation

- Our Capital Allocation Framework balances value creation, shareholder returns and balance sheet strength
  - ‘A’ credit rating maintained\(^1\)
  - total dividends paid of US$4.1 billion
  - growth capital and exploration expenditure of US$5.7 billion

- Board will consider additional cash returns over minimum 50% payout at every reporting period

- US$0.30 per share dividend determined in FY16
  - H1: US$0.16 per share (US$0.04 plus US$0.12 additional)
  - H2: US$0.14 per share (US$0.08 plus US$0.06 additional)

---

<table>
<thead>
<tr>
<th>Capital allocation in FY16 (US$ billion)</th>
<th>H1</th>
<th>H2</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net operating cash flow</td>
<td>5.3</td>
<td>5.3</td>
<td>10.6</td>
</tr>
<tr>
<td>maintenance capital</td>
<td>1.0</td>
<td>1.0</td>
<td>2.0</td>
</tr>
<tr>
<td>balance sheet</td>
<td>3.3(^2)</td>
<td>0.2</td>
<td>3.5</td>
</tr>
<tr>
<td>minimum dividend paid</td>
<td>1.0</td>
<td>4.1</td>
<td>5.1</td>
</tr>
<tr>
<td>Excess cash</td>
<td>(2.3)</td>
<td>1.3</td>
<td>(0.9)</td>
</tr>
<tr>
<td>Maximise returns and value</td>
<td>3.4</td>
<td>2.3</td>
<td>5.7</td>
</tr>
<tr>
<td>balance sheet</td>
<td>-</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>organic growth investment</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>additional dividend amount</td>
<td>(0.1)</td>
<td>(0.2)</td>
<td>(0.3)</td>
</tr>
<tr>
<td>buy-backs</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>acquisitions/(divestments)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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1. Current credit rating of A (S&P) and A3 (Moodys). We manage to a solid A credit rating through the cycle.
2. Final dividend determined under progressive dividend policy in August 2015.

Financial results
16 August 2016
Financial results
Year ended 30 June 2016

Andrew Mackenzie  Chief Executive Officer
Well placed for the conditions we expect

• Near-term is difficult
  – well-supplied markets across our commodity suite
  – ineffective monetary policy, political uncertainty, populist rejection of free trade suppressing business confidence

• Fundamentals to return as markets rebalance over the medium term

• Robust longer-term demand outlook
  – China’s industrial output and fixed investment solid
  – urbanisation, industrialisation and freer trade will lift demand from other emerging markets

Source: Wood Mackenzie, BHP Billiton analysis.
1. Includes crude and US gas.

Financial results
16 August 2016
Focused portfolio and simplified operating model

- **Optimal portfolio after divestments and demerger**
  - well-capitalised, low-cost, long-life assets with expansion options
  - diversified across the right commodities
  - favourable geographic concentration

- **New operating model accelerates productivity gains**
  - assets focused solely on safety, volume and cost
  - globally integrated functions co-located with the assets
  - centres of excellence for maintenance, projects and geoscience
  - new structure has lowered overheads through fewer layers and increased spans of control

### Financial results

**Tier 1 portfolio**
(FY16 Underlying EBITDA margin, %)

<table>
<thead>
<tr>
<th>1st</th>
<th>2nd</th>
<th>3rd</th>
<th>4th</th>
</tr>
</thead>
<tbody>
<tr>
<td>80</td>
<td>60</td>
<td>40</td>
<td>20</td>
</tr>
</tbody>
</table>

**Cost curve position**
(quartile)

- **Iron ore**
- **Petroleum**
- **Energy coal**
- **Copper**
- **Metallurgical coal**

(source: AME; Wood Mackenzie; BHP Billiton analysis.

1. Copper equivalent production based on FY16 realised prices.
2. Based on weighted average equity share of production using quality-adjusted operating cost curves versus contestable demand in the markets in which our assets operate.

Financial results
16 August 2016
Broad suite of opportunities offers significant upside

We have made significant progress to capture valuation upside and improve returns

| Productivity       | On track to deliver US$2.2 billion of gains over two years to end FY17  
|                    | Absorbed US$1.6 billion impact of grade decline at Escondida in FY16  
| Latent capacity    | Latent capacity options equate to >10% of current production at a capital cost of ~US$1.5 billion  
|                    | Los Colorados Extension approved; Spence Recovery Optimisation ramping up; new Jimblebar capacity by December; Queensland Coal capacity creep; Olympic Dam on track for 230 ktpa by 2021  
| Shale              | Onshore US free cash flow positive in FY17 at consensus prices  
|                    | Launched hedging program to unlock resource in the Haynesville  
| Projects           | Mad Dog 2 investment decision expected in the next 12 months  
|                    | Spence Growth Option due for Board review in H2 CY17;  
|                    | Olympic Dam Brownfield Expansion (BFX) now at concept study phase  
| Exploration        | Counter cyclical investment to accelerate oil and copper exploration  
|                    | Exploration wells currently drilling in the Gulf of Mexico and Trinidad & Tobago  
| Technology         | Ongoing investment in technology to lower costs and unlock resources  
|                    | IROC for Coal approved; Olympic Dam heap leach trials moved to next stage  

Financial results
16 August 2016
Momentum builds into the new financial year

Steady volumes...
- FY17 copper equivalent volume growth of up to 4% (ex-Onshore US)
- Onshore US will respond to market conditions

...lower costs...
- productivity gains of US$1.8 billion expected in FY17
- unit costs expected to reduce by 12%¹

...and higher capital productivity...
- FY17 capital and exploration expenditure of US$5.4 billion²
- biased to latent capacity and low-cost growth

...will drive free cash flow and lower debt
- free cash flow of over US$7 billion in FY17 at spot prices³
- FY16 net debt of US$26.1 billion expected to be the peak this cycle

¹. Presented on a continuing operations basis excluding BHP Billiton's share of volumes from equity accounted investments; operating cost per copper equivalent tonne calculated using FY16 realised prices.
². On a cash basis. Capital and exploration expenditure of US$5.0 billion on BHP Billiton share basis.
³. Spot prices at 8 August 2016.
Positioned to grow value and returns

The right commodities…
• optimal diversification with petroleum and copper markets expected to rebalance first

…the right assets…
• optimal portfolio of well-capitalised, low-cost, long life assets

…the right structure…
• 12 operated assets, 4 commodities, 3 operating groups

…to maximise free cash flow\(^1\)
• free cash flow of over US$7 billion in FY17 at spot prices\(^2\)

The right capital allocation framework…
• balances value creation, shareholder returns and balance sheet strength

…to drive value and returns
• strong progress on suite of opportunities to grow value and improve ROIC

We have opportunities to significantly increase returns (Return on Capital Employed\(^3\) at consensus prices, nominal)

1. Free cash flow: operating cash flow less capital expenditure and exploration.
3. Assumes all latent capacity and growth options (including Onshore US) proceed.
Appendix
## BHP Billiton guidance

<table>
<thead>
<tr>
<th>Group</th>
<th>FY17e</th>
<th>FY18e</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital and exploration expenditure (US$bn)</td>
<td>5.4</td>
<td>6.2</td>
<td>Cash basis.</td>
</tr>
<tr>
<td>Including:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td>2.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exploration</td>
<td>0.8</td>
<td>0.8</td>
<td>US$700m Petroleum and US$60m Copper exploration program planned for FY17.</td>
</tr>
</tbody>
</table>

## Petroleum

<table>
<thead>
<tr>
<th>Total petroleum production (MMboe)</th>
<th>FY17e</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>200 - 210</td>
</tr>
</tbody>
</table>

### Onshore US

<table>
<thead>
<tr>
<th>Capital expenditure (US$bn)</th>
<th>0.6</th>
<th>Development activity tailored to market conditions.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production (MMboe)</td>
<td>77 - 83</td>
<td>We continue to balance near-term cash flow performance and long-term value maximisation.</td>
</tr>
</tbody>
</table>

### Conventional Petroleum

<table>
<thead>
<tr>
<th>Capital expenditure (US$bn)</th>
<th>0.8</th>
<th>Focused on life extension projects at Bass Strait and North West Shelf.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production (MMboe)</td>
<td>123 - 127</td>
<td>35 day maintenance shutdown at Atlantis in Q1 FY16, deferral of infill drilling in the Gulf of Mexico for value and natural field decline.</td>
</tr>
<tr>
<td>Unit cost (US$/barrel)</td>
<td>10</td>
<td>Excludes inventory movements, freight, and third party and exploration expense.</td>
</tr>
<tr>
<td>Exploration (US$bn)</td>
<td>0.7</td>
<td>Focused on Gulf of Mexico, the Caribbean and the Northern beagle sub-basin.</td>
</tr>
</tbody>
</table>
### BHP Billiton guidance (continued)

<table>
<thead>
<tr>
<th><strong>Copper</strong></th>
<th><strong>FY17e</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total copper production (Mt)</td>
<td>1.66</td>
</tr>
</tbody>
</table>

Guidance for Escondida at 1.07 Mt. Pampa Norte production is expected to increase. Olympic Dam production guidance to remain unchanged. Guidance for Antamina production to decrease to 130 kt as planned mining sequence moves through lower a copper grade zone.

#### Escondida
- Production (Mt, 100% basis) | 1.07 |
- Unit cash costs (US$/lb) | 1.00 |


#### Iron Ore
<table>
<thead>
<tr>
<th><strong>FY17e</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total iron ore production (Mt)</td>
</tr>
</tbody>
</table>

Excludes production from Samarco.

<table>
<thead>
<tr>
<th><strong>Western Australia Iron Ore</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Production (Mt, 100% basis)</td>
</tr>
<tr>
<td>Unit cash costs (US$/t)</td>
</tr>
<tr>
<td>Sustaining capital expenditure (US$/t)</td>
</tr>
</tbody>
</table>

Excludes freight and royalties; based on an exchange rate of AUD/USD 0.71. Long term average; +/- 50% in any given year.

<table>
<thead>
<tr>
<th><strong>Coal</strong></th>
<th><strong>FY17e</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total metallurgical coal production (Mt)</td>
<td>44</td>
</tr>
<tr>
<td>Total energy coal production (Mt)</td>
<td>30</td>
</tr>
</tbody>
</table>

The divestment of Navajo Coal to Navajo Transitional Energy Company was completed on 29 July 2016.

<table>
<thead>
<tr>
<th><strong>Queensland Coal</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Production (Mt)</td>
</tr>
<tr>
<td>Unit cash costs (US$/t)</td>
</tr>
<tr>
<td>Sustaining capital expenditure (US$/t)</td>
</tr>
</tbody>
</table>

Excludes freight and royalties; based on an exchange rate of AUD/USD 0.71. Long term average; +/- 50% in any given year.

<table>
<thead>
<tr>
<th><strong>NSW Energy Coal</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Production (Mt)</td>
</tr>
<tr>
<td>Unit cash costs (US$/t)</td>
</tr>
<tr>
<td>Sustaining capital expenditure (US$/t)</td>
</tr>
</tbody>
</table>

Excludes freight and royalties; based on an exchange rate of AUD/USD 0.71. Long term average; +/- 50% in any given year.

Financial results
16 August 2016

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## Key Underlying EBITDA sensitivities

<table>
<thead>
<tr>
<th>Approximate impact on FY17 Underlying EBITDA of changes of:</th>
<th>US$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$1/t on iron ore price</td>
<td>217</td>
</tr>
<tr>
<td>US$1/bbl on oil price</td>
<td>79</td>
</tr>
<tr>
<td>US¢10/MMbtu on US gas price</td>
<td>26</td>
</tr>
<tr>
<td>US$1/t on metallurgical coal price</td>
<td>42</td>
</tr>
<tr>
<td>US¢1/lb on copper price</td>
<td>34</td>
</tr>
<tr>
<td>US$1/t on energy coal price</td>
<td>18</td>
</tr>
<tr>
<td>US¢1/lb on nickel price</td>
<td>2</td>
</tr>
<tr>
<td>AUD (US¢1/A$) operations</td>
<td>78</td>
</tr>
</tbody>
</table>

1. Assumes total volume exposed to price; determined on the basis of BHP Billiton’s existing portfolio.
2. Excludes impact of equity accounted investments.
3. Excludes impact of change in input costs across the Group.
4. Based on average exchange rate for the period.

Financial results
16 August 2016
Petroleum EBITDA waterfall

Underlying EBITDA variance

(US$ billion)

7.2

External (US$3.7 billion)

Controllable US$0.2 billion

0.7

Controllable cash costs

Fuel & energy

Non-cash²

Other³

FY15

Price¹

Foreign exchange

Inflation

Sub-total

Growth volumes

Underlying EBITDA variance

(US$ billion)

1. Net of price-linked costs.
2. Non-cash includes change in deferred stripping depletion.
3. Other includes ceased and sold operations, asset sales, one-off items and other items (including profit/loss from equity accounted investments).

Financial results
16 August 2016
Copper EBITDA waterfall

Underlying EBITDA variance (US$ billion)

<table>
<thead>
<tr>
<th></th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>External</td>
<td>(2.2)</td>
<td>2.6</td>
</tr>
<tr>
<td>Controllable</td>
<td>3.2</td>
<td>0.9</td>
</tr>
<tr>
<td>Sub-total</td>
<td>5.2</td>
<td>0.1</td>
</tr>
<tr>
<td>Growth volumes</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Price¹</td>
<td>(0.1)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Inflation</td>
<td>0.3</td>
<td>0.0</td>
</tr>
<tr>
<td>Foreign exchange</td>
<td>(0.1)</td>
<td>0.0</td>
</tr>
<tr>
<td>Controllable cash costs</td>
<td>(0.9)</td>
<td>0.2</td>
</tr>
<tr>
<td>Fuel &amp; energy</td>
<td>0.0</td>
<td>0.2</td>
</tr>
<tr>
<td>Non-cash²</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Other³</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

1. Net of price-linked costs.
2. Non-cash includes change in deferred stripping depletion.
3. Other includes asset sales, one-off items and other items (including profit/loss from equity accounted investments).

Financial results
16 August 2016
Iron Ore EBITDA waterfall

Underlying EBITDA variance
(US$ billion)

<table>
<thead>
<tr>
<th>FY15</th>
<th>Price¹</th>
<th>Foreign exchange</th>
<th>Inflation</th>
<th>Sub-total</th>
<th>Growth volumes</th>
<th>Productivity volumes</th>
<th>Controllable cash costs</th>
<th>Fuel &amp; energy</th>
<th>Non-cash²</th>
<th>Other³</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.6</td>
<td>0.3</td>
<td>0.1</td>
<td>5.2</td>
<td>0.0</td>
<td>0.1</td>
<td>0.3</td>
<td>0.1</td>
<td>0.0</td>
<td>(0.0)</td>
<td>(0.1)</td>
<td>5.6</td>
</tr>
</tbody>
</table>

1. Net of price-linked costs.
2. Non-cash includes change in deferred stripping depletion.
3. Other includes ceased and sold operations, asset sales, one-off items and other items (including profit/loss from equity accounted investments).

**External (US$3.4 billion)**

- Price: 0.3
- Foreign exchange: 0.1
- Inflation: 0.0
- Sub-total: 5.2
- Growth volumes: 0.0
- Productivity volumes: 0.1
- Controllable cash costs: 0.3
- Fuel & energy: 0.1
- Non-cash²: 0.0
- Other³: (0.1)
- FY16: 5.6

**Controllable US$0.4 billion**

- Price: 0.3
- Foreign exchange: 0.1
- Inflation: 0.0
- Sub-total: 5.2
- Growth volumes: 0.0
- Productivity volumes: 0.1
- Controllable cash costs: 0.3
- Fuel & energy: 0.1
- Non-cash²: 0.0
- Other³: (0.1)
- FY16: 5.6

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16 August 2016
Coal EBITDA waterfall

Underlying EBITDA variance
(US$ billion)

External (US$0.6 billion)  Controllable US$0.0 billion

FY15  Price¹  Foreign exchange  Inflation  Sub-total  Growth volumes  Productivity volumes  Controllable cash costs  Fuel & energy  Non-cash²  Other³  FY16

1.2  (0.9)  0.4 (0.1)  0.6  0.0  0.0  0.2  0.1  0.0 (0.3)  0.6

1. Net of price-linked costs.
2. Non-cash includes change in deferred stripping depletion.
3. Other includes ceased and sold operations, asset sales, one-off items and other items (including profit/loss from equity accounted investments).

Financial results
16 August 2016
Other items affecting profitability

1. Post tax consequences.

Financial results
16 August 2016
Debt maturity profile

Debt balances¹
(US$ billion²)

- All debt balances are represented in notional US$ values and based on financial years. As at 30 June 2016.
- Subsidiary debt is presented in accordance with IFRS 10 and IFRS 11.
- Includes hybrid bonds (18% of portfolio: 9% in US$, 6% in Euro, 3% in Sterling).

Financial results
16 August 2016
We remain positive on long-term copper fundamentals

Short-term overcapacity in copper remains persistent
- Subdued demand with slower than expected growth in China and recession in key non-Asian emerging economies
- Increased supply from new and expanded operations with more growth expected near term

Long-term fundamentals are sound
- Demand growth will continue as China transitions to a consumer-driven economy, and copper-intensive renewable energy capacity and electric vehicles grow rapidly
- Emerging markets will recover and converge to their natural intensity curves
- Grade decline and mine depletions will require investment in new supply

Global demand slow recently, but long run trend is still positive
(Refined copper demand\(^1\), Mt)

Continued global ore grade decline expected
(Copper grades\(^2\), %)

1. The two upper panels are not set to the same scale.
2. Based on average grade weighted by paid copper.

Financial results
16 August 2016
Oil and US gas markets expected to rebalance

Outlook remains healthy

• Fundamentals tightening, as healthy demand growth intersects with slower global production growth due to falling production in the US

• Rate of inventory drawdown will impact price recovery - OPEC and US production remain key watch points

• Higher prices will be required to induce the new supply needed to offset natural field decline and meet growing demand

Near-term US natural gas prices driven by storage and weather; long-term market supported by robust demand growth

• Mild winter, industry-wide productivity gains and resilient supply resulted in record inventory levels

• Inventories forecast to return to average levels by end CY16 on strong demand growth and declining production

• While investment in new supply sources will be required, the abundant lower-cost supply will moderate price inflation

Source: BHP Billiton analysis; US Energy Information Administration (August 2016).

Financial results
16 August 2016
Iron ore demand outlook remains modest

Chinese and global steel growth to slow
- Global steel production is likely to grow modestly in the future
- China’s steel demand growth to become more cyclical as it moves past the inflection point on its intensity curve
- As China slows, global steel demand growth will mostly come from emerging economies, primarily India and Southeast Asia

Low-cost iron ore to continue to displace higher cost supply
- Supply growth will continue to outweigh demand growth in coming years
- Lower costs through productivity is likely to remain a long-term feature
- Pilbara production expected to remain highly cost competitive

Source: Worldsteel; BHP Billiton analysis.
1. Other emerging markets: including developing Asian countries, Middle East, Africa and Latin America.
Metallurgical coal outlook supported by growing demand for high-quality product

Demand improvement to be moderate, supply slowly adjusting

- Cost curve has flattened
- Lower prices are leading to closures and reduced investment

The world continues to require steel and metallurgical coal is essential for pig iron production

- China expected to continue to import seaborne metallurgical coal
  - demand supported by coastal market access and requirement for consistent, quality product in larger blast furnaces
  - encouraging signs following domestic coal supply reforms
- Robust outlook underpinned by scarcity of high-quality resources and demand growth in emerging economies
  - particularly in India where we expect strong steel production growth

Source: Wood Mackenzie; Worldsteel; BHP Billiton analysis.

1. Includes productivity improvements.
2. Emerging Asia includes India, ASEAN and other South Asia. Excludes China, Japan, Taiwan and South Korea.

Financial results
16 August 2016
Energy coal expected to remain an important part of the global energy complex

Markets expected to remain oversupplied in the near term

- China’s demand for imports is likely to fall further as domestic overcapacity persists, however coal supply reforms encouraging
- More supply rationalisation is required to balance the market

Coal’s share of the fuel mix will decline but total volume will grow due to cost competitiveness in Asia

- Absolute demand expected to increase by 10-15% by the mid-2020s, despite a declining share in the global electricity generation fuel mix
- India and South East Asia have 26% of the world’s population, but still account for only 13% of global electricity generation
  - low-cost energy coal is expected to be a preferred fuel source

Source: Wood Mackenzie; IEA; BHP Billiton analysis.
1. Includes productivity improvements.

Financial results
16 August 2016