

Mt Arthur Coal, Australia



Interim Results 31 December 2008

Marius Kloppers Chief Executive Officer
Alex Vanselow Chief Financial Officer
4 February 2009



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Reliance on Third Party Information

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Nothing in this release should be construed as either an offer to sell or a solicitation of an offer to buy or sell BHP Billiton securities in any jurisdiction.

Non-GAAP Financial Information

BHP Billiton results are reported under International Financial Reporting Standards (IFRS). References to Underlying EBIT and EBITDA exclude any exceptional items. A reconciliation to statutory EBIT is contained within the profit announcement, available at our website www.bhpbilliton.com.

Western Australia Iron Ore, Australia



Interim Results 31 December 2008

Marius Kloppers Chief Executive Officer



- **Underlying EBITDA** up 25% to \$13.9 billion
- **Underlying EBIT** up 24% to \$11.9 billion
- **Attributable profit** (excluding exceptionals) up 2% to \$6.1 billion
- **Robust cashflow** of \$13.1 billion, up 74%
- **Earnings per share** 110.1 US cents, up 3%
- **Interim dividend** of 41 US cents, up 41% on last year
- Continued Balance Sheet strength – **Net gearing** at 9.5%
- Short term focus on:
 - Maximising cash generation from existing businesses
 - Prudent and disciplined growth
- **Long term strategy unchanged**
- **Strongly positioned for this point in the cycle**

Spence Copper, Chile



Interim Results 31 December 2008

Alex Vanselow Chief Financial Officer



Financial Highlights

Half Year Ended December (US\$m)	2008	2007	Change
Revenue	29,780	25,539	16.6%
Underlying EBITDA	13,939	11,167	24.8%
Underlying EBIT	11,899	9,623	23.7%
Attributable Profit (excluding exceptionals)	6,128	5,995	2.2%
Attributable Profit	2,617	6,017	(56.5)%
Net Operating Cash Flow	13,094	7,528	73.9%
EPS (excluding exceptionals) (US cents)	110.1	106.8	3.1%
Dividend per Share	41.0	29.0	41.4%

Exceptional Items

Half Year Ended 31 December 2008	Gross US\$m	Tax US\$m	Net US\$m
Exceptional Items by Category			
Suspension of Ravensthorpe Nickel Operations	(3,361)	1,008	(2,353)
Impairment of Other Operations	(356)	(60)	(416)
Newcastle Steelworks Rehabilitation	(508)	152	(356)
Lapsed Offers for Rio Tinto	(450)	64	(386)
	(4,675)	1,164	(3,511)
Exceptional Items by Segment			
Petroleum	(11)	4	(7)
Aluminium	(128)	–	(128)
Base Metals	(147)	(64)	(211)
Diamonds and Specialty Products	(70)	–	(70)
Stainless Steel Materials	(3,361)	1,008	(2,353)
Group and Unallocated	(958)	216	(742)
	(4,675)	1,164	(3,511)

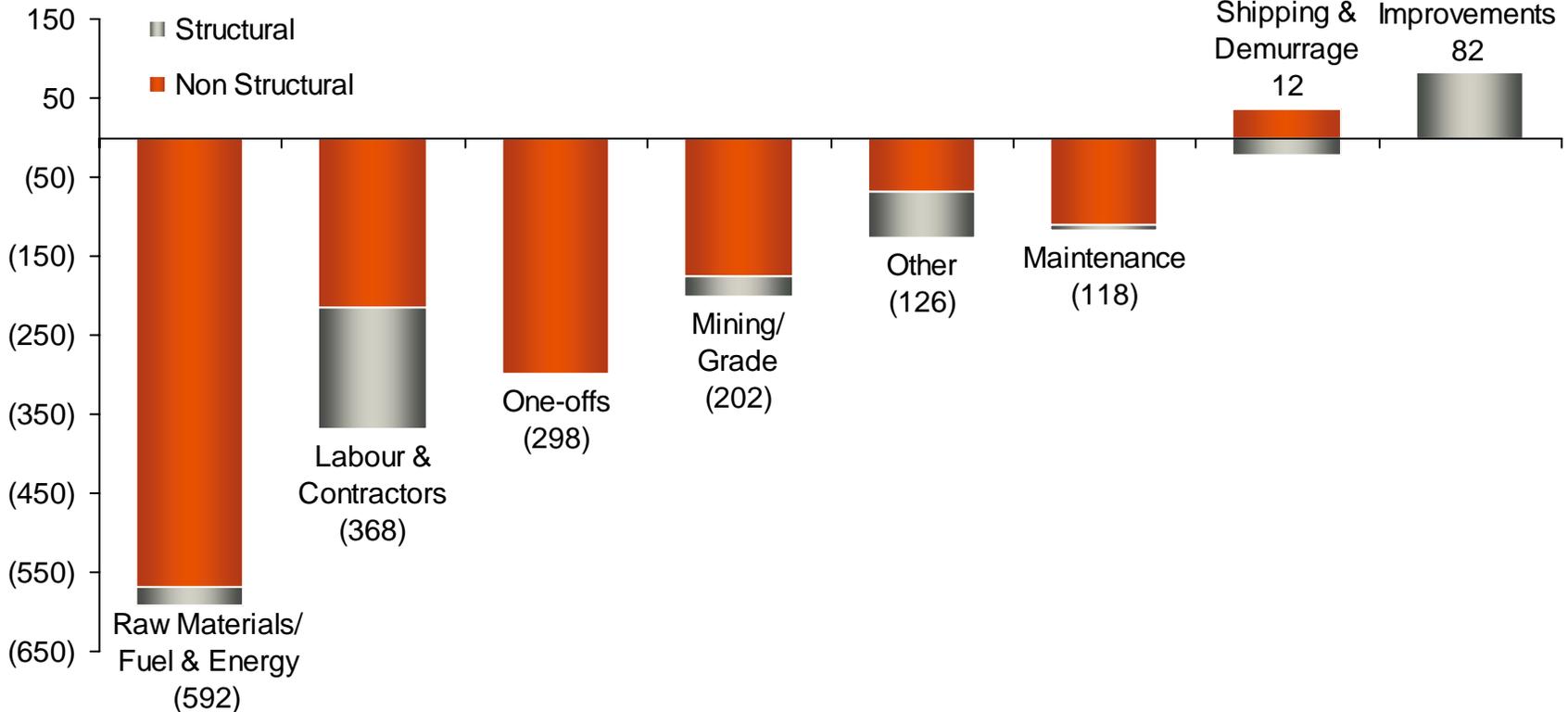
Underlying EBIT by Customer Sector Group

Half Year Ended December (US\$m)	2008	2007	Change
Petroleum	2,675	1,968	36%
Aluminium	289	680	(58)%
Base Metals (including Uranium)	(111)	3,367	(103)%
Diamonds & Specialty Products	79	72	10%
Stainless Steel Materials	(752)	799	(194)%
Iron Ore	4,143	1,673	148%
Manganese	1,245	431	189%
Metallurgical Coal	3,123	523	497%
Energy Coal	1,072	277	287%
Group & Unallocated Items	136	(167)	
BHP Billiton (Total)	11,899	9,623	24%

Decline in Input Cost Yet to be Realised

Total cash cost variance – US\$(1,610) million

(US\$m)



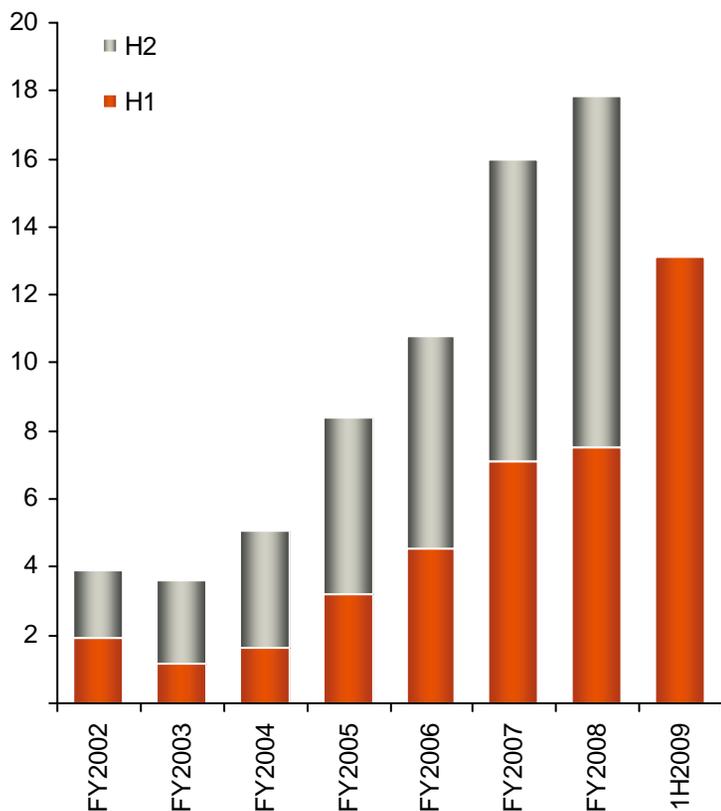
Note: Non-Cash items total \$(262) million

Net Interest and Tax

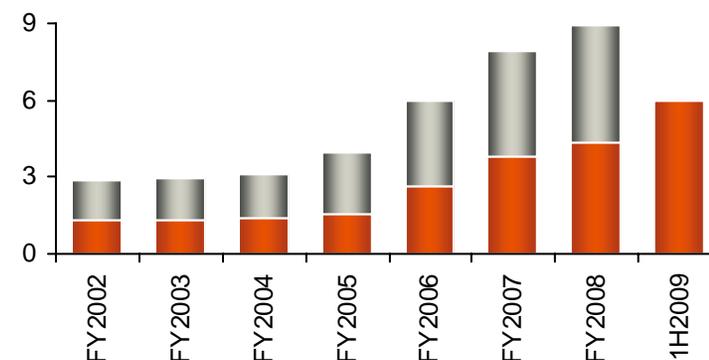
Half Year Ended December (US\$m)	2008	2007	Change
Net Interest Expense	332	341	2.6%
Taxation Expense (excluding exceptionals)			
Underlying Tax Expense	3,538	2,798	26.4%
Royalty Related Taxation	351	269	30.5%
Foreign Exchange Impacts	1,163	44	2,543.2%
Underlying Effective Rate	30.6%	30.1%	

Strong Cash Flow – Delivering Value to Shareholders

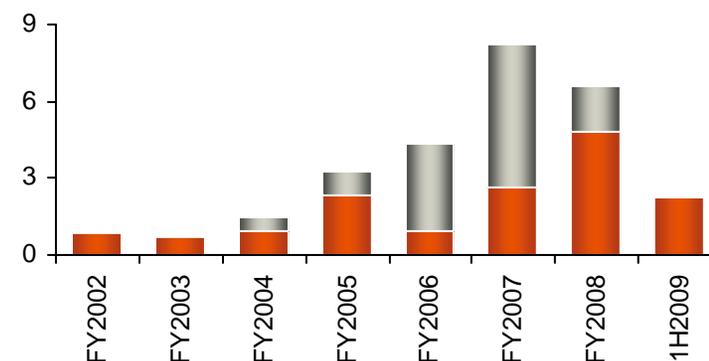
Available Cash Flow (US\$bn)



Organic Growth^(a) (US\$bn)



Return to Shareholders^(b) (US\$bn)



(a) Includes capital and exploration expenditures (excludes acquisitions)
(b) Includes dividends paid and share buy-backs

FY 2005 to FY 2008 have been calculated on the basis of IFRS. Prior periods have been calculated on the basis of UKGAAP
FY 2007 and FY 2008 cashflow reflects proportional consolidation of joint ventures

Well Positioned and Proactive

- Indefinite suspension of Ravensthorpe nickel operation, and cessation of mixed nickel cobalt hydroxide processing at Yabulu
- Temporary suspension of two pellet plants at Samarco Iron Ore to be reviewed at the end of March 2009
- Temporary reduction in Samancor Manganese production
- Suspension of copper sulphide mining at Pinto Valley, and
- Metallurgical coal production 10 to 15 per cent below current capacity on an annualised basis



Samarco Iron Ore, Brazil

North West Shelf Petroleum, Australia



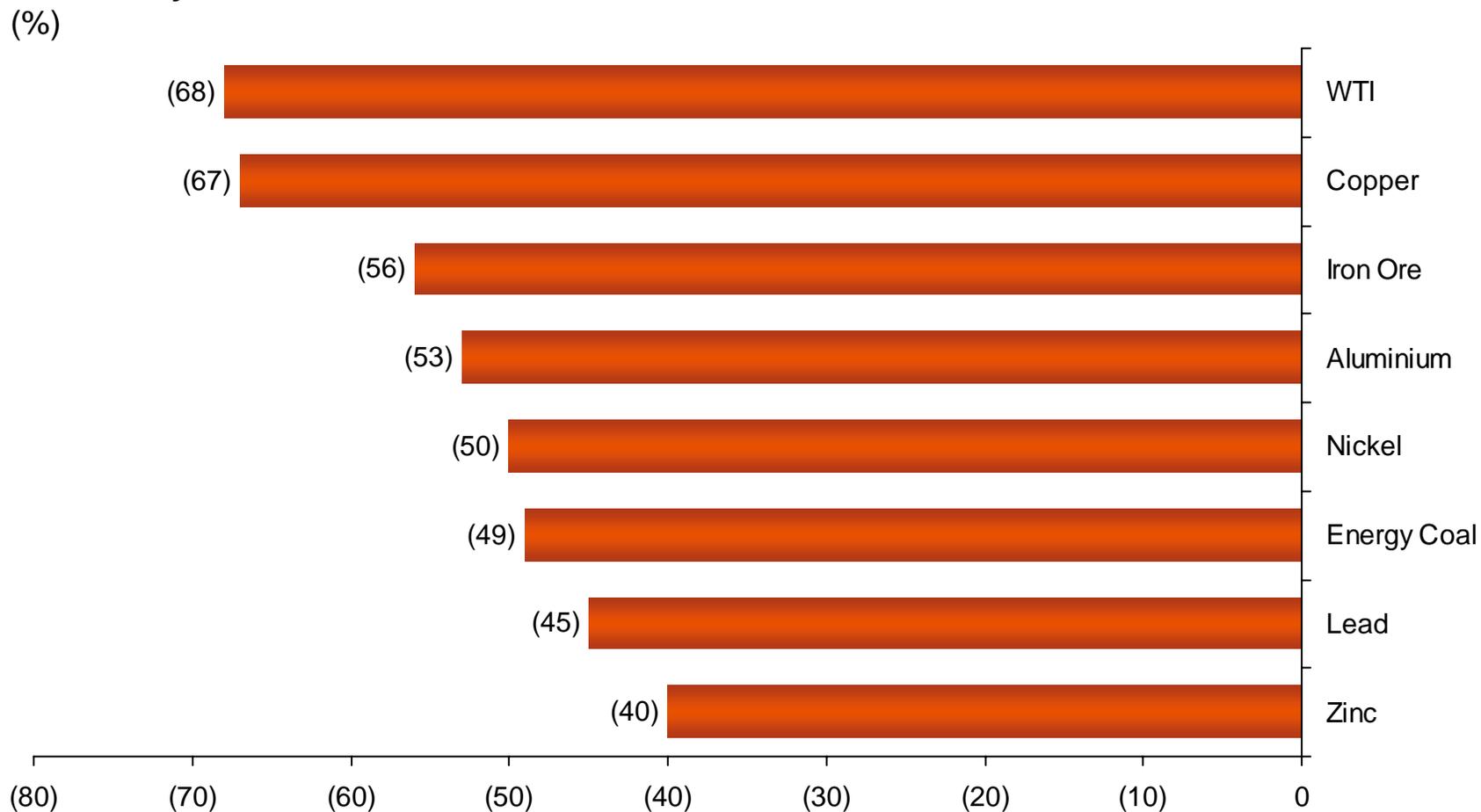
Interim Results 31 December 2008

Marius Kloppers Chief Executive Officer



Downside Risk Remains

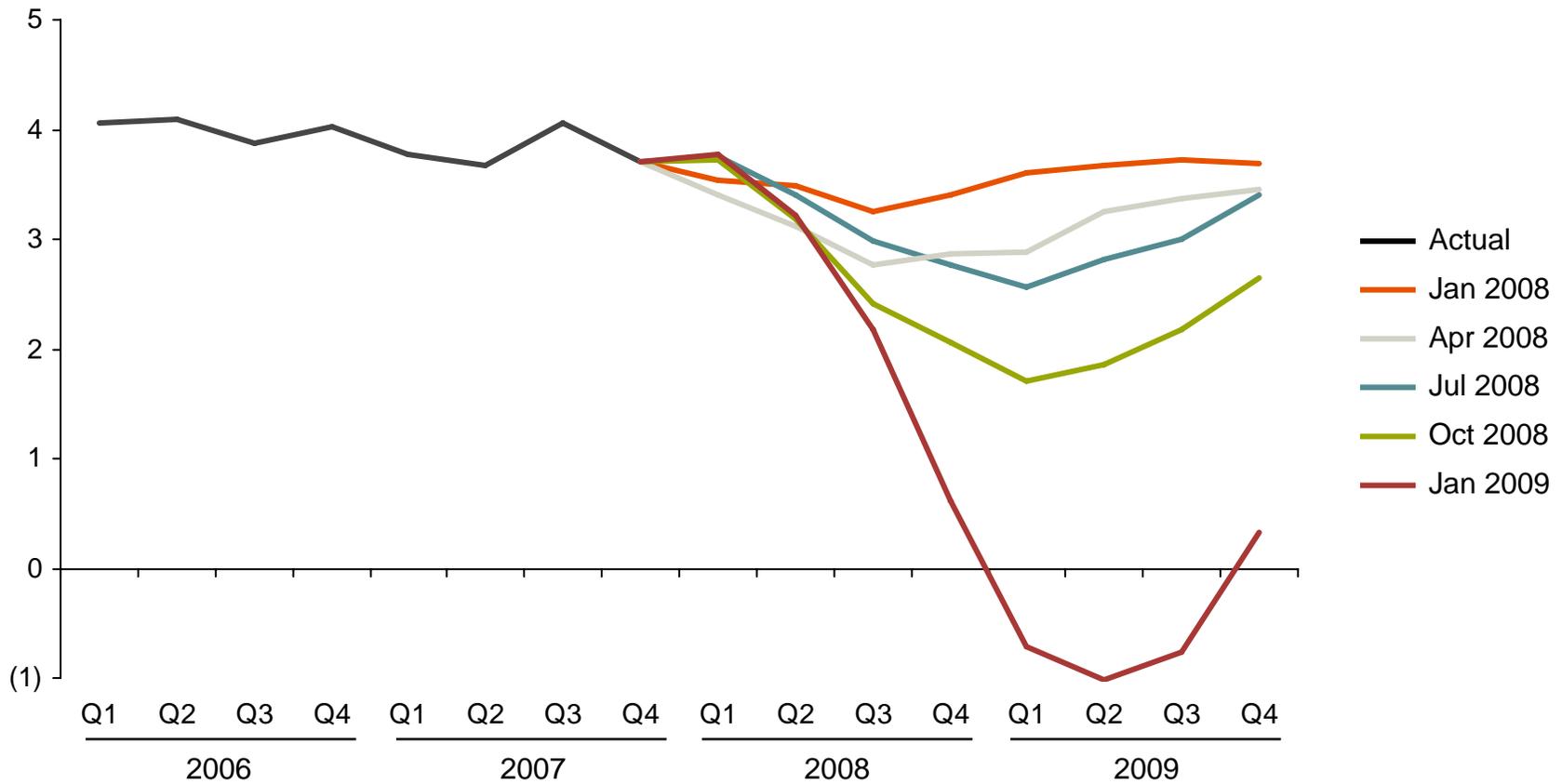
Commodity Price Movement 6 Months to 31 December 2008



Source: Datastream; Iron ore prices – Steel Business Briefing & Metal Bulletin; Energy Coal prices - McCloskey

Growth Forecasts Continue to be Revised Downwards

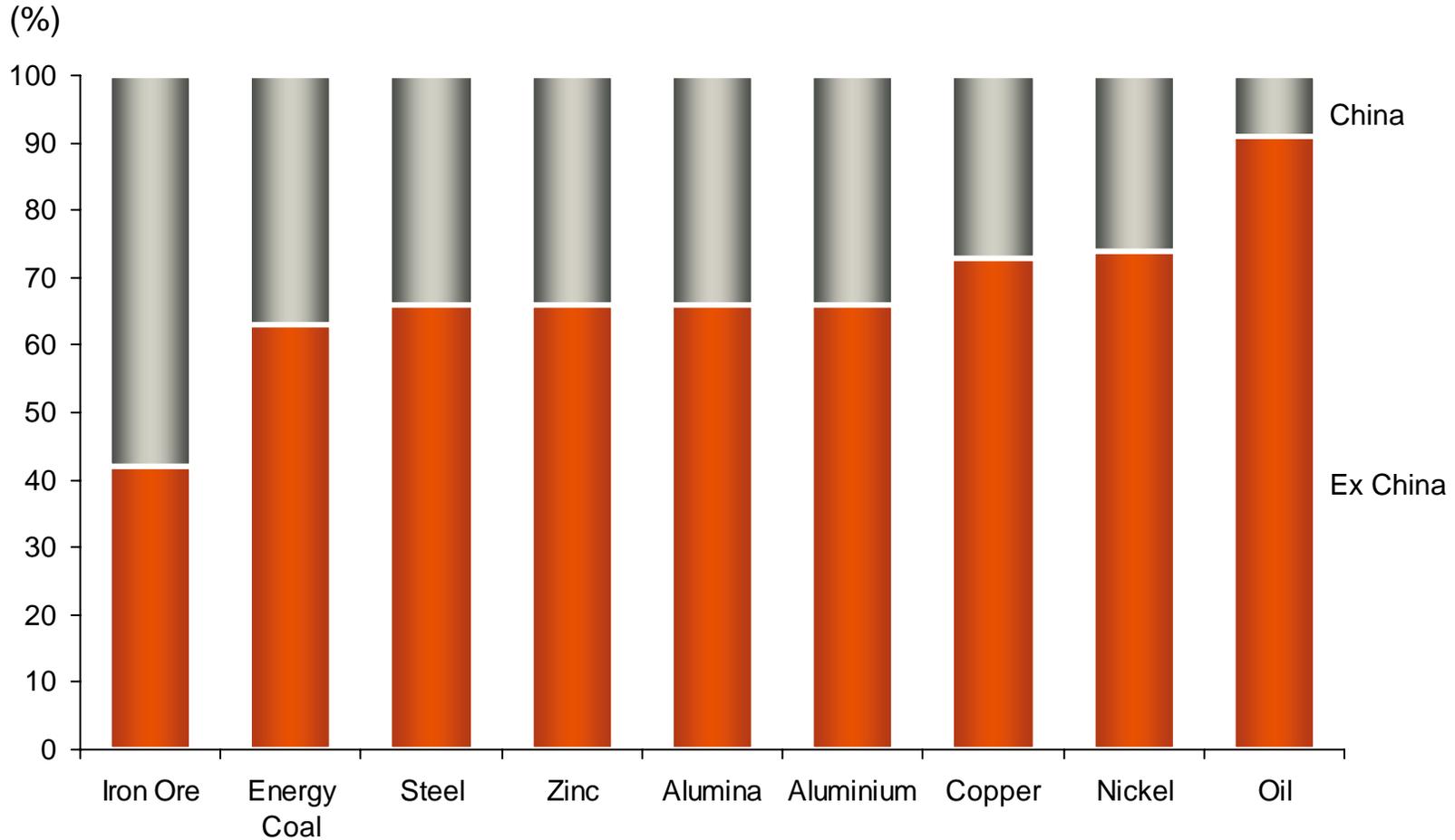
YOY Real GDP Growth (%)



Source: Global Insight (World)

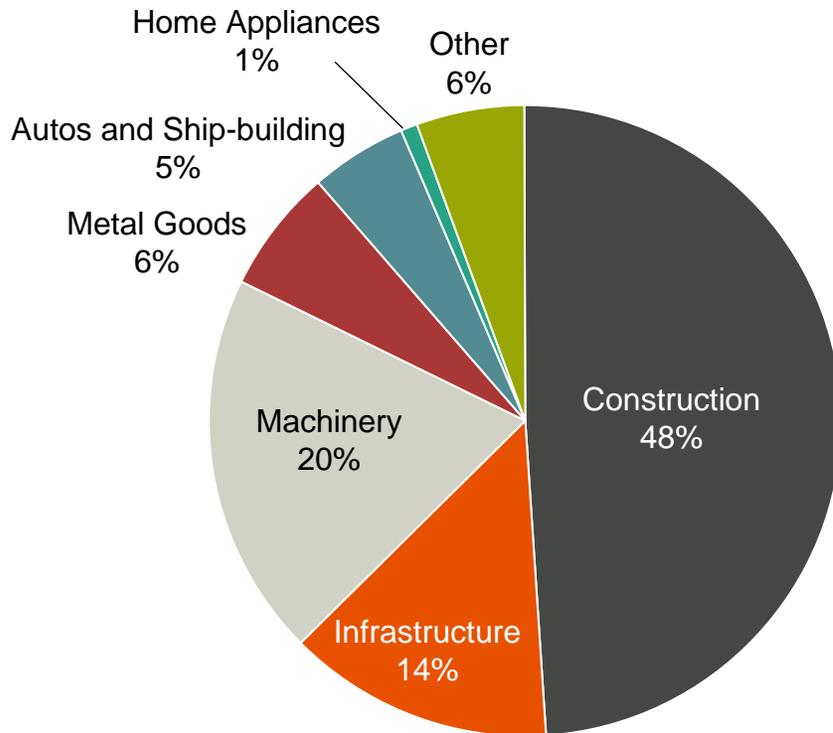
Absolute OECD Demand is Important

Global Consumption – 2008

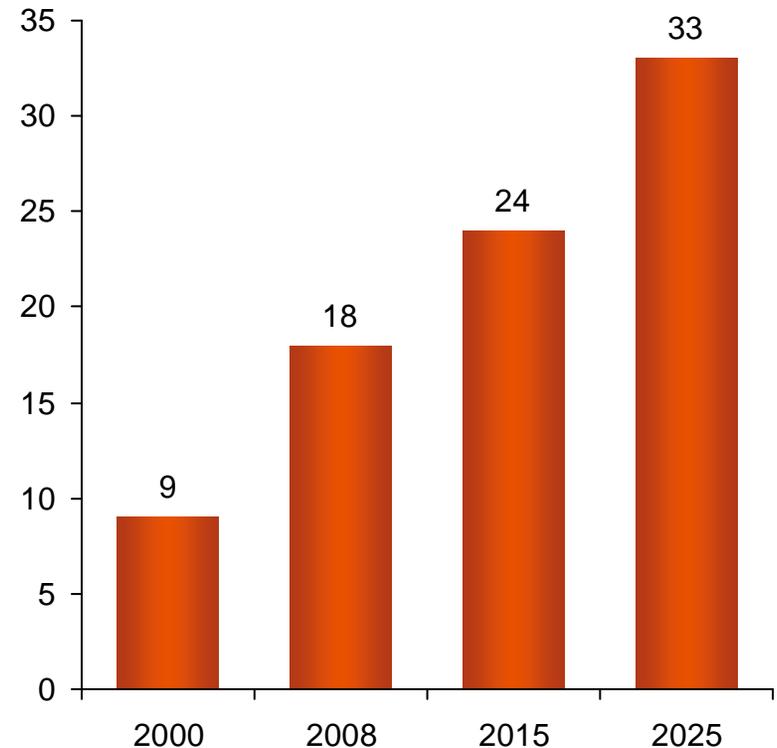


Source: CRU, Brook Hunt, IISI, PEL, BP Statistical Review of Energy, China Customs, BHP Billiton estimates

Steel Use by Sector (2008)



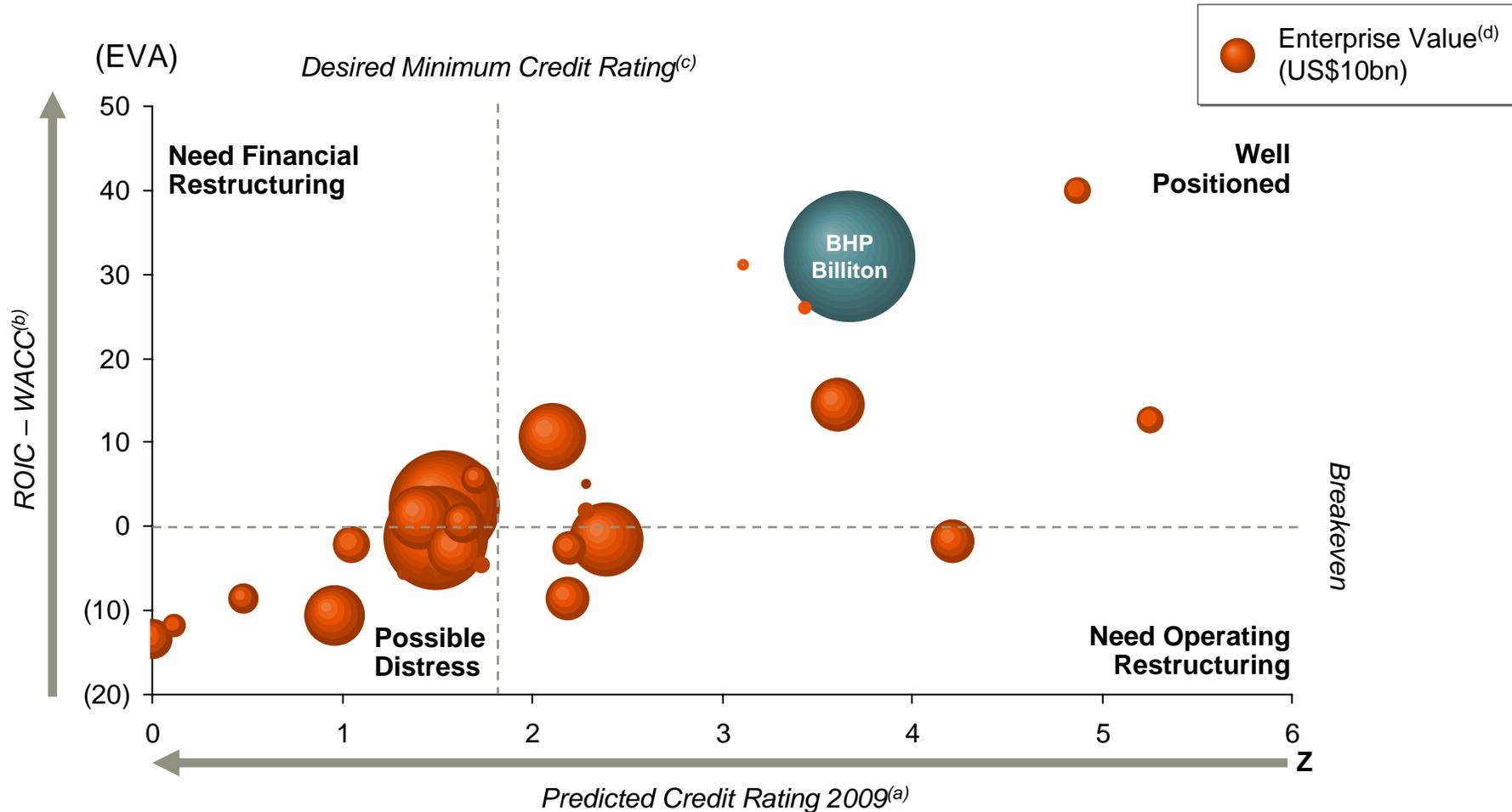
China's Urban Residential Floor Space (Billions of Square Metres)



Source: BHP Billiton estimates

Source: McKinsey & Co; BHP Billiton estimates

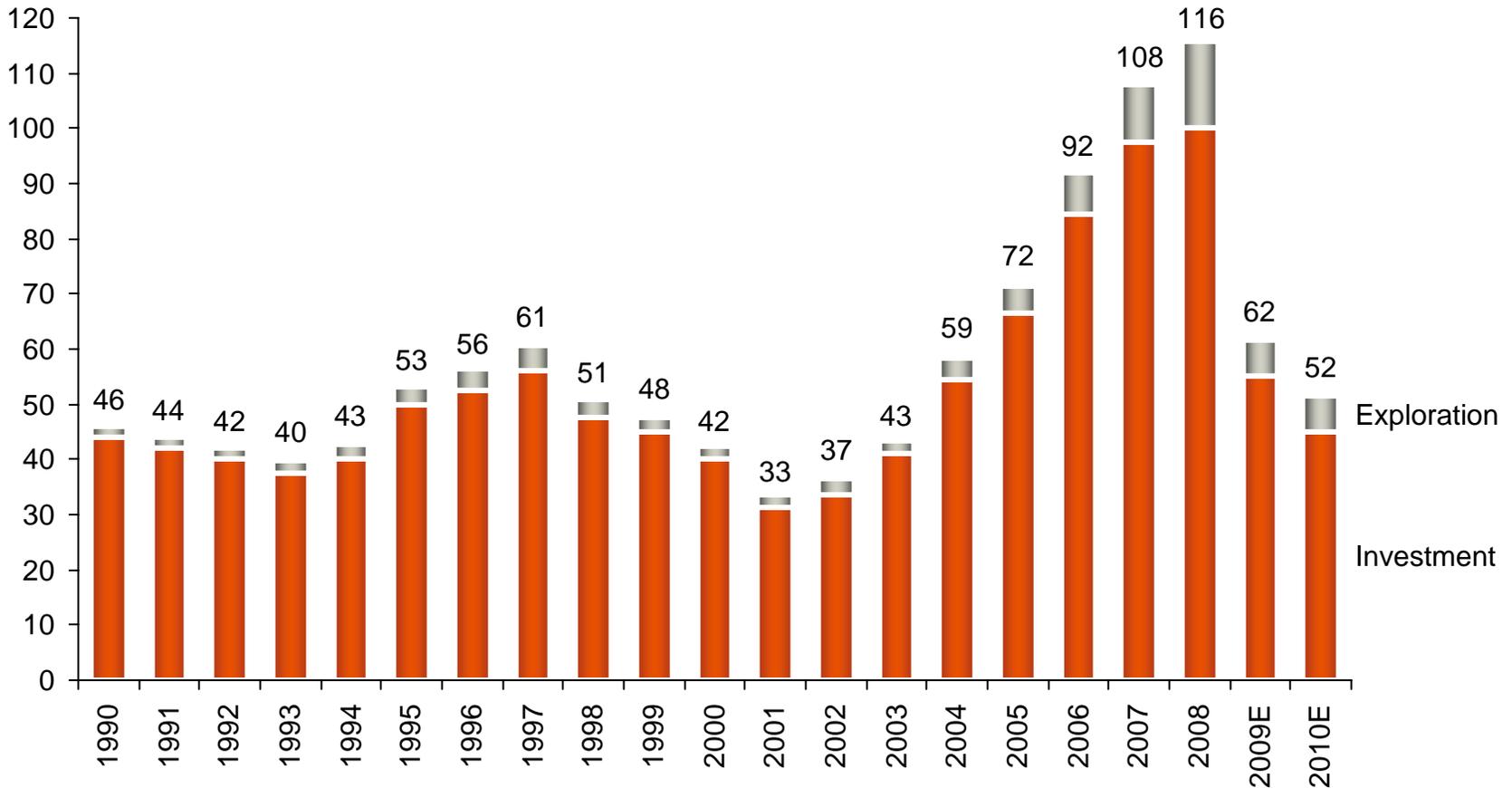
Industry Landscape has Changed



- (a) Forecasted Altman Z score
 - (b) Median WACC for selected sample
 - (c) Z score corresponding to S&P's B grade credit rating
 - (d) Enterprise value is calculated as sum of Market value (as of January 22, 2009), book value of minority interest, preferred stock, total debt, net pension obligations less book value of long term investment and excess cash (defined as cash over 2% of sales)
- Source: Bloomberg; Analyst reports; McKinsey & Co analysis

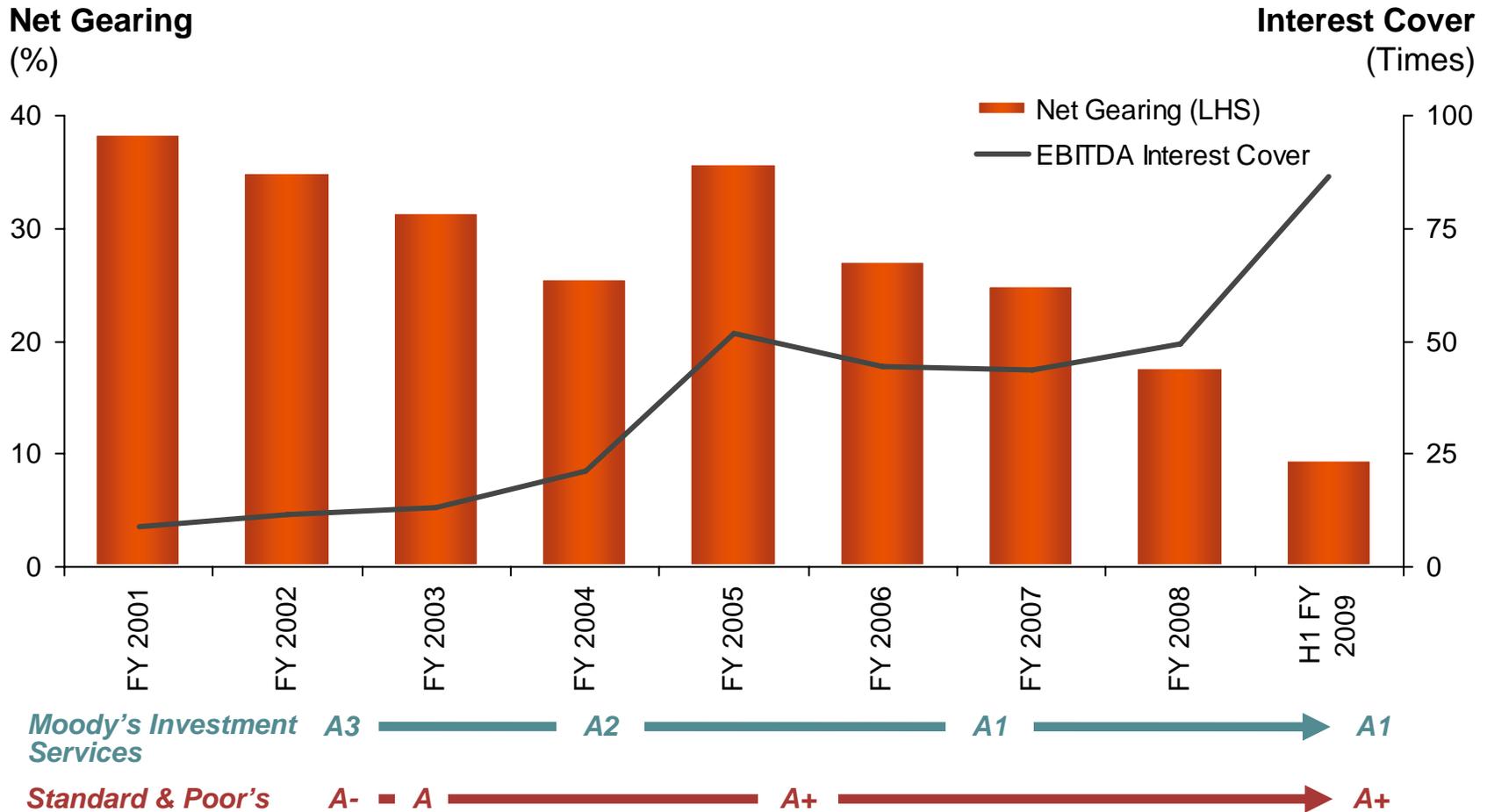
Future Supply Will be Impacted

Capital Expenditure for the Global Mining Industry (US\$bn)



Source: McKinsey Mining Database; RMG

We are in a Unique Position

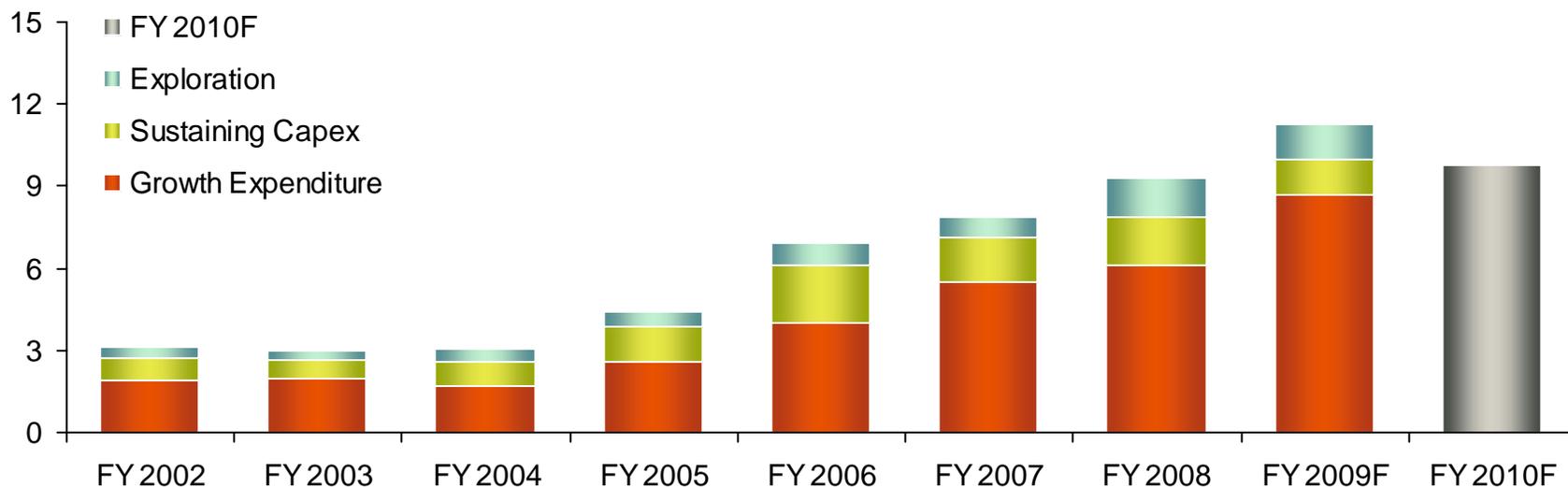


Underlying Gearing and Underlying EBITDA interest cover shown for FY2005 to H1 FY2009
 FY 2005 to FY 2008 have been calculated on the basis of IFRS. Prior periods have been calculated on the basis of UKGAAP

Capital & Exploration Expenditure

US\$bn	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009F	FY 2010F
Growth	1.9	2.0	1.7	2.6	4.0	5.5	6.1	8.7	
Sustaining and Other	0.8	0.7	0.9	1.3	2.1	1.6	1.8	1.3	
Exploration ^(a)	0.4	0.3	0.5	0.5	0.8	0.8	1.4	1.3	
Total	3.1	3.0	3.1	4.4	6.9	7.9	9.3	11.3	9.8

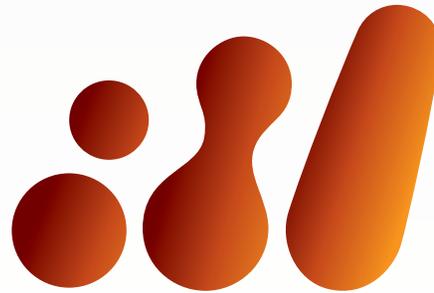
(US\$bn)



(a) FY2009F includes US\$700m for Petroleum
FY 2005 to FY 2008 have been calculated on the basis of IFRS. Prior periods have been calculated on the basis of UKGAAP

- Strategy remains unchanged
- Robust first half result
- Weak markets persist
- We will be impacted, but are well positioned in the industry
- Our focus remains on long term shareholder value creation





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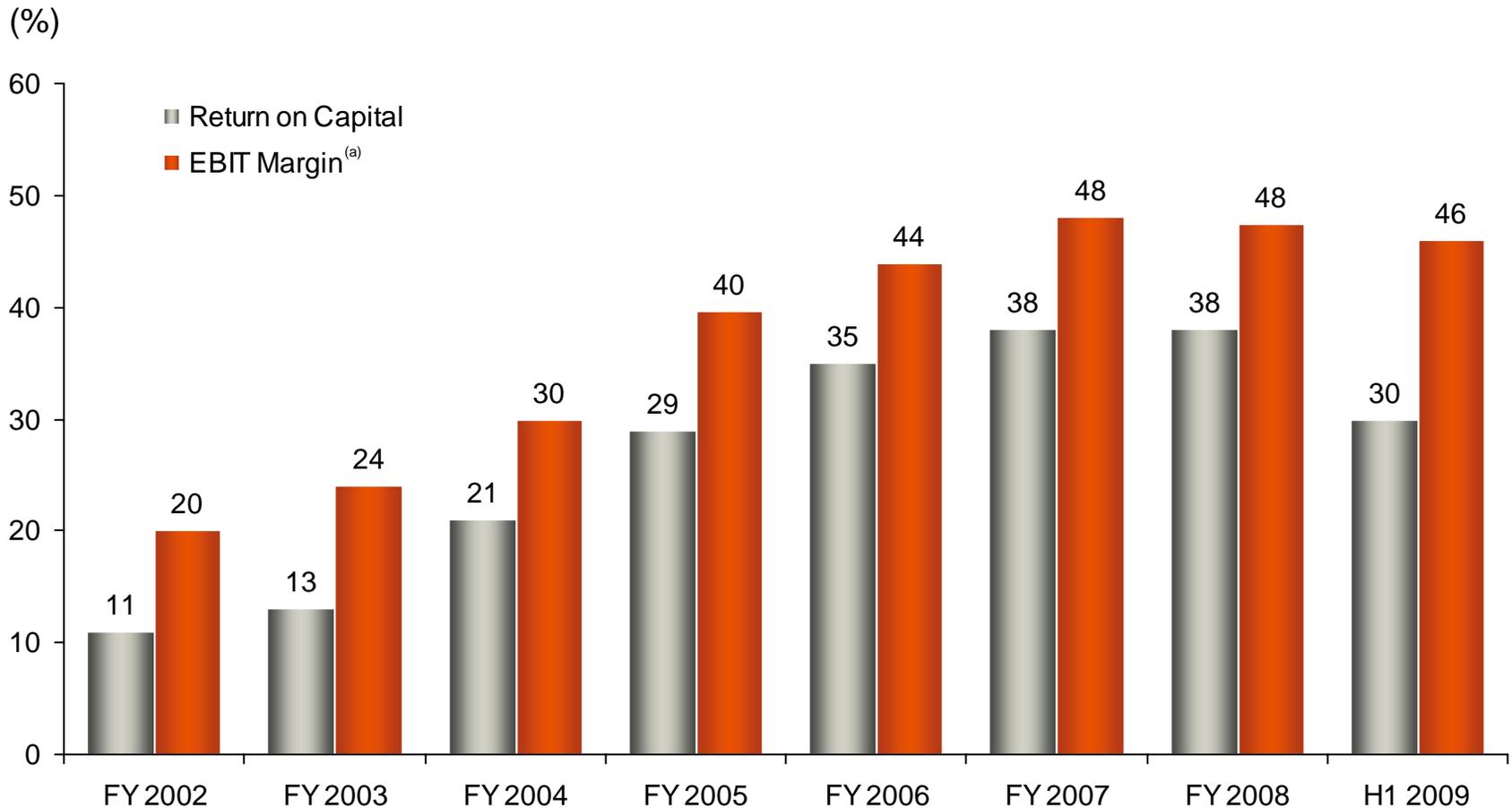
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Appendix



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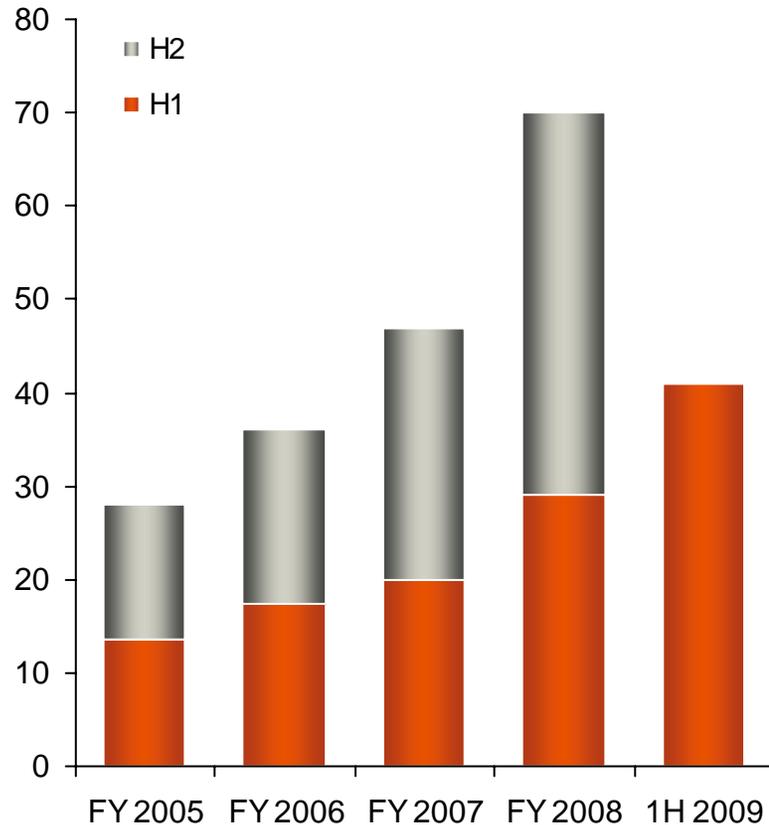
Return on Capital and Margins



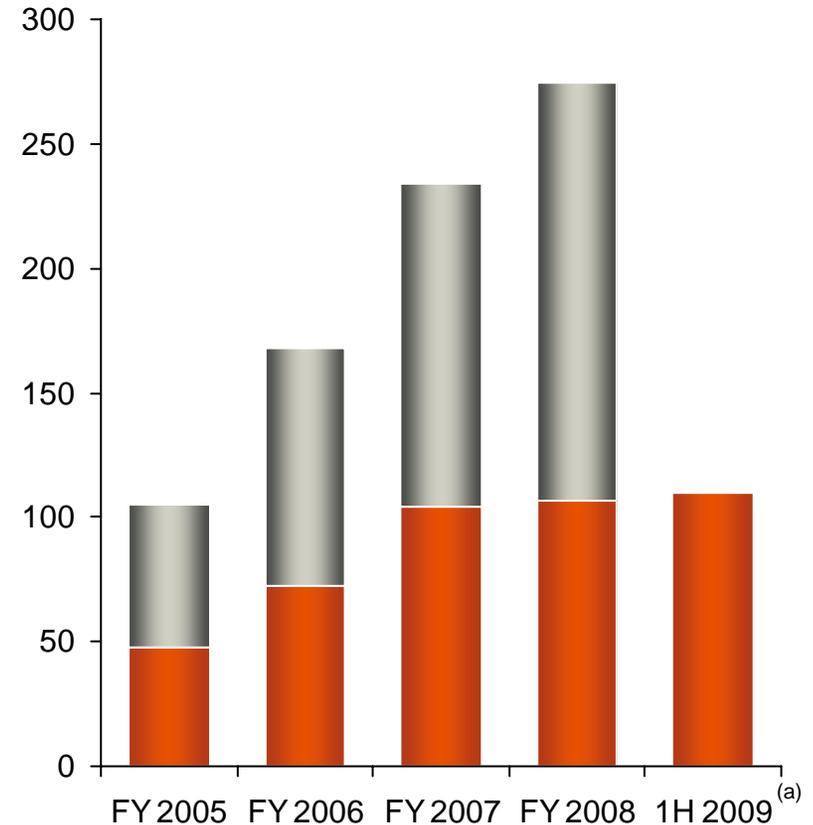
(a) FY 2005 to FY 2008 are shown on the basis of IFRS.
Prior periods are calculated under UKGAAP. All periods exclude third party trading and exceptional items.

Delivering Superior Returns to Shareholders

Ordinary dividends per share
(US cents per share)

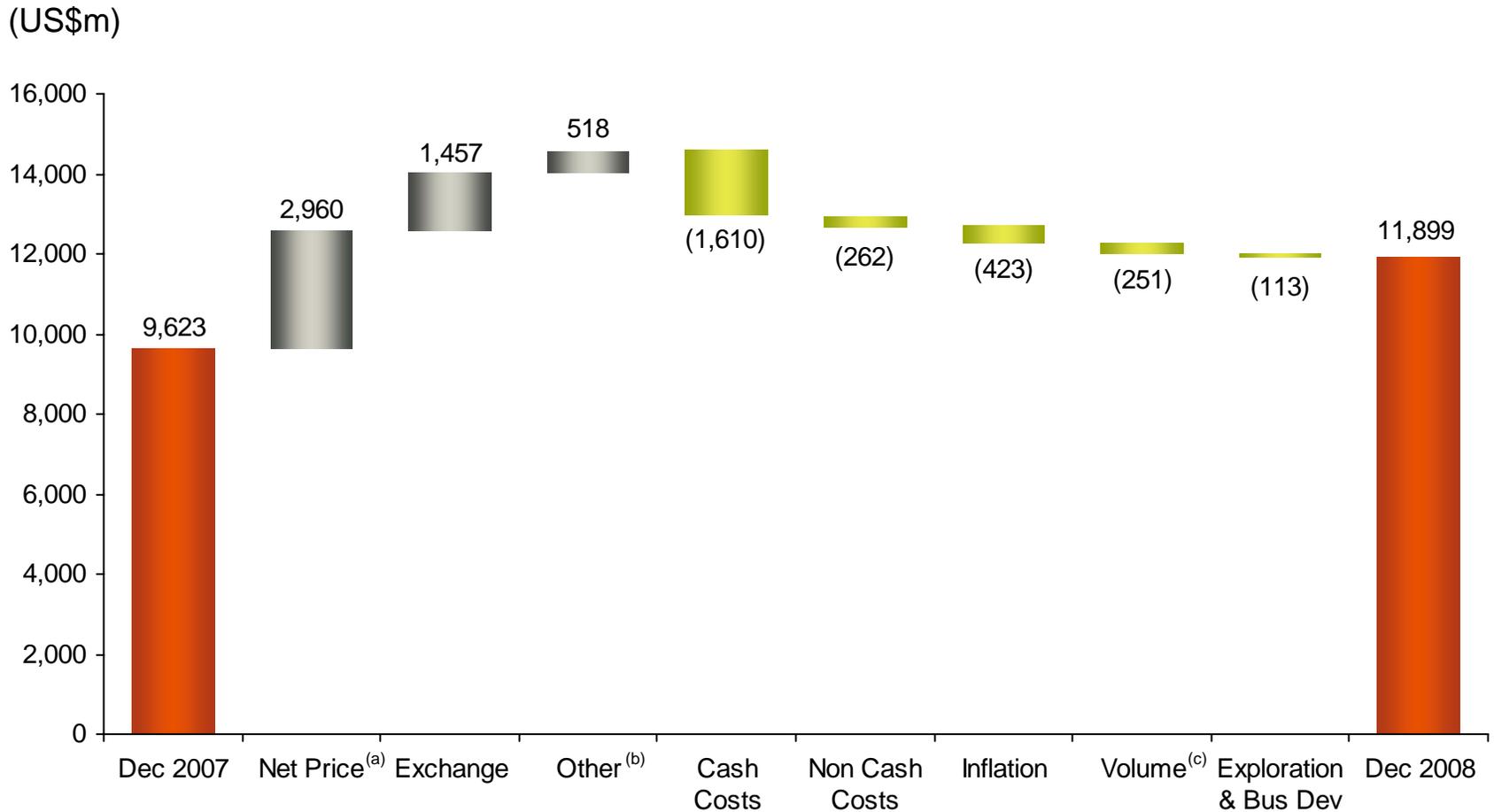


Earnings per share
(US cents per share)



Note: BHP Billiton's EPS represents reported underlying EPS for the financial year ending 30 June
(a) Excludes exceptional items amounting to 63.1 cents per share

Underlying EBIT Analysis Half Year Ended Dec 2008 vs Dec 2007



(a) Including \$543m of price-linked costs impact

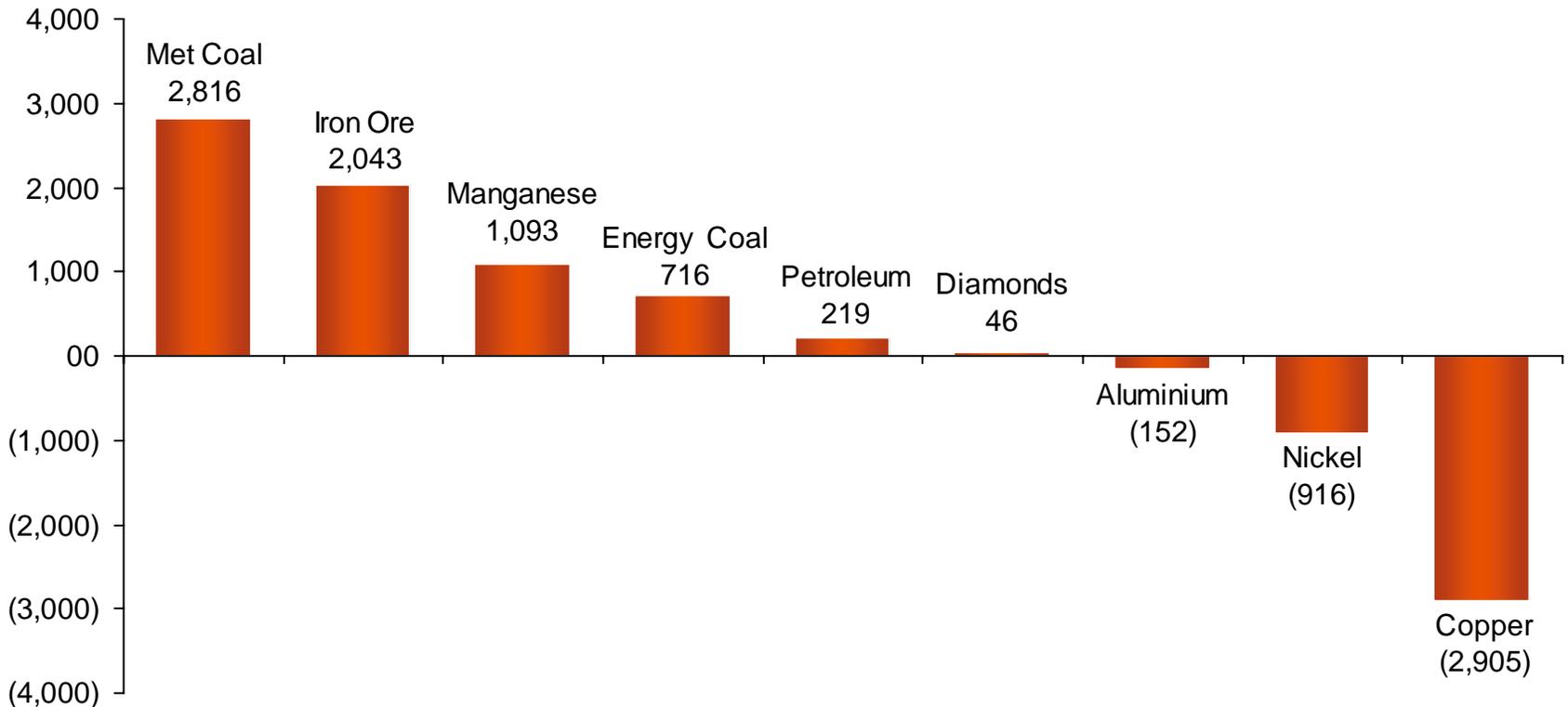
(b) Includes Asset Sales and Ceased & Sold Ops

(c) Including \$649m due to increase in volume from new operations

Impact of Major Commodity Price Movements Half Year Ended Dec 2008 vs Dec 2007

Total price variance – US\$2,960 million^(a)

(US\$m)

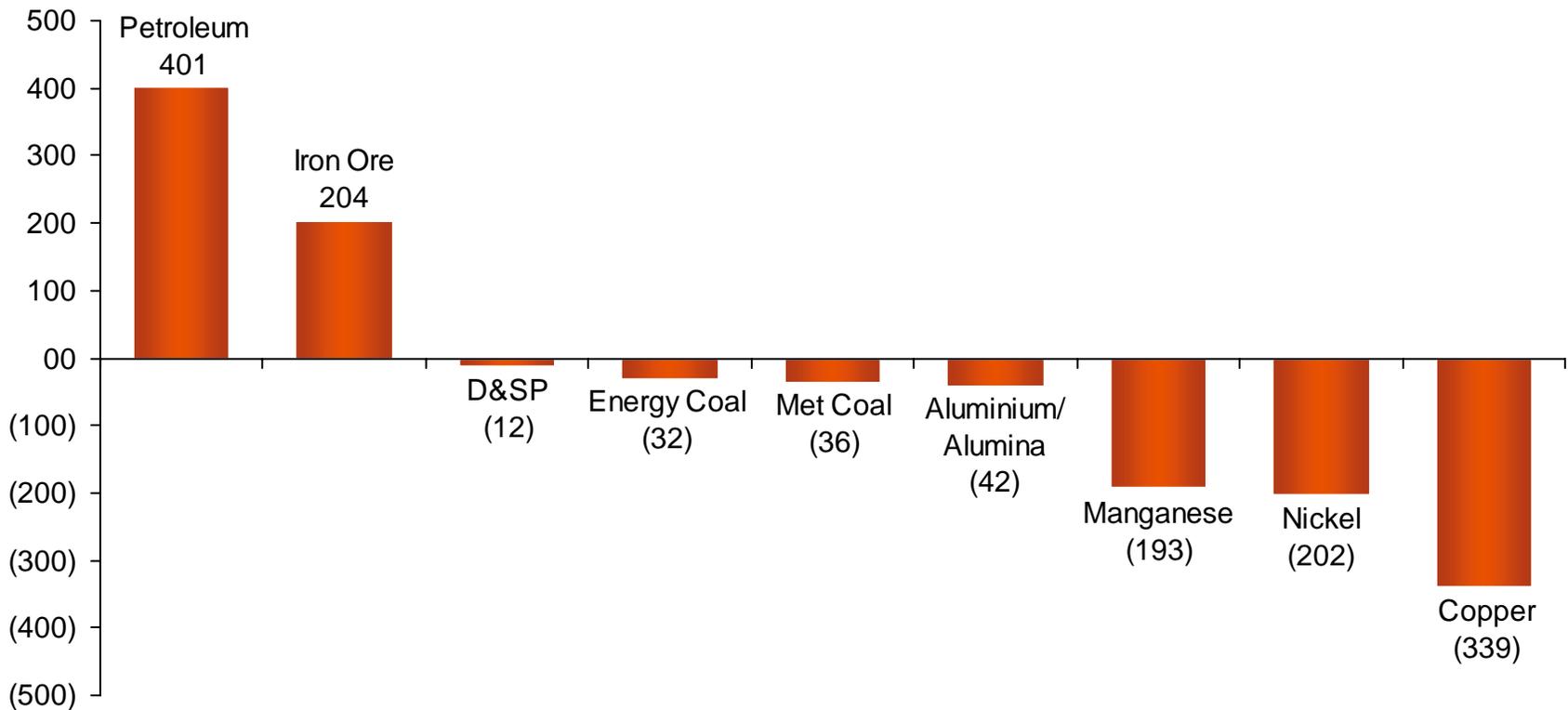


(a) Net of \$543m of price-linked costs impact

Impact of Major Volume Changes Half Year Ended Dec 2008 vs Dec 2007

Total volume^(a) variance – US\$(251) million

(US\$m)



(a) Volume variances calculated using previous year margin and includes new operations

Cash Flow

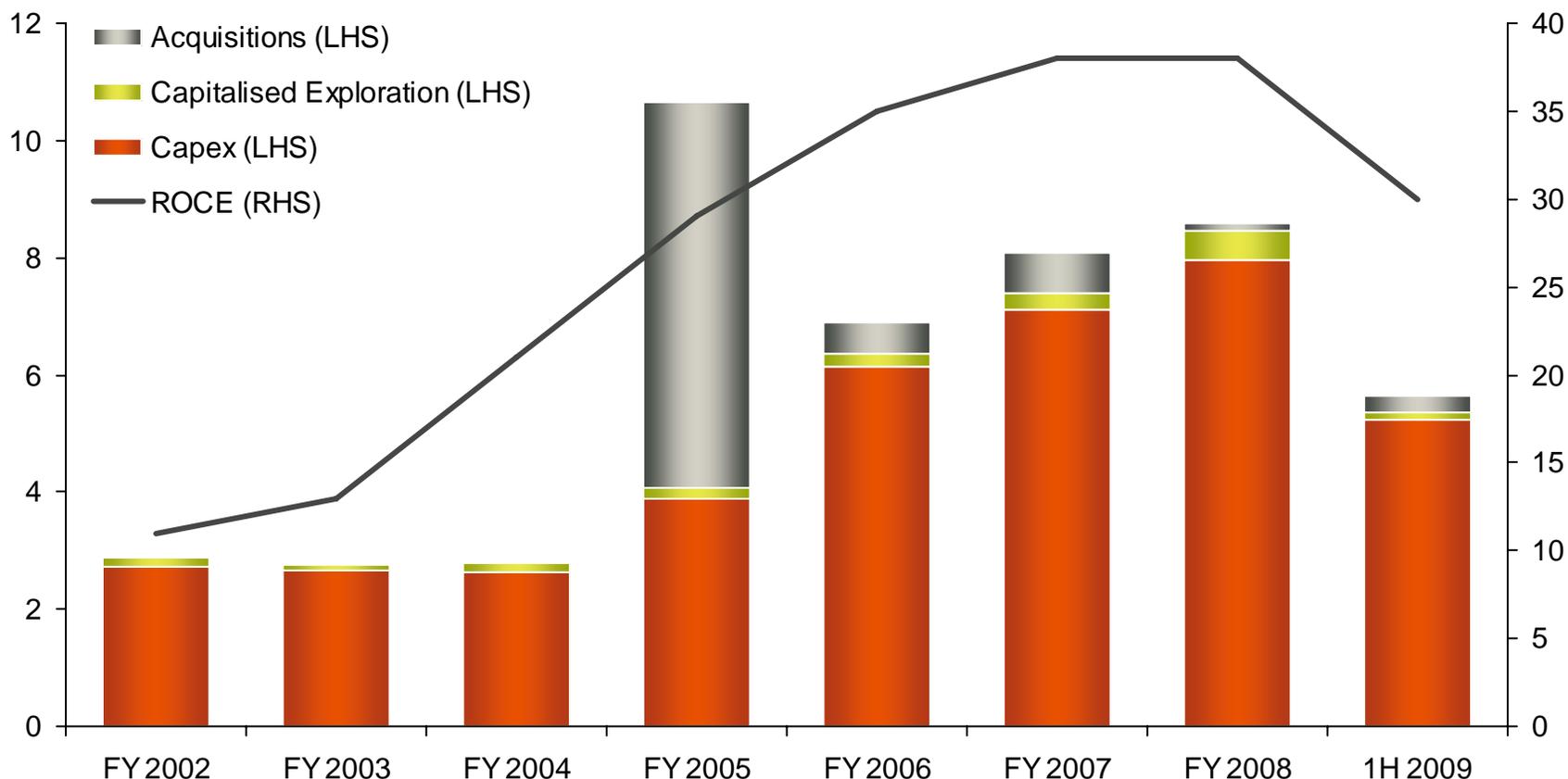
Half Year Ended December (US\$m)	2008	2007
Operating Cash Flow and Dividends	17,004	11,258
Net Interest Paid	(147)	(313)
Tax Paid ^(a)	(3,763)	(3,417)
Net Operating Cash Flow	13,094	7,528
Capital Expenditure	(5,347)	(3,753)
Exploration Expenditure	(620)	(598)
Purchases of Investments	(421)	(153)
Proceeds from Sale of Fixed Assets & Investments	83	134
Net Cash Flow Before Dividends and Funding	6,789	3,158
Dividends Paid ^(b)	(2,486)	(1,571)
Net Cash Flow Before Funding & Buy-backs	4,303	1,587

(a) Includes royalty related taxes paid

(b) Includes dividends paid to minority interests

Strong Return On Capital Employed Despite Record Capital Investments

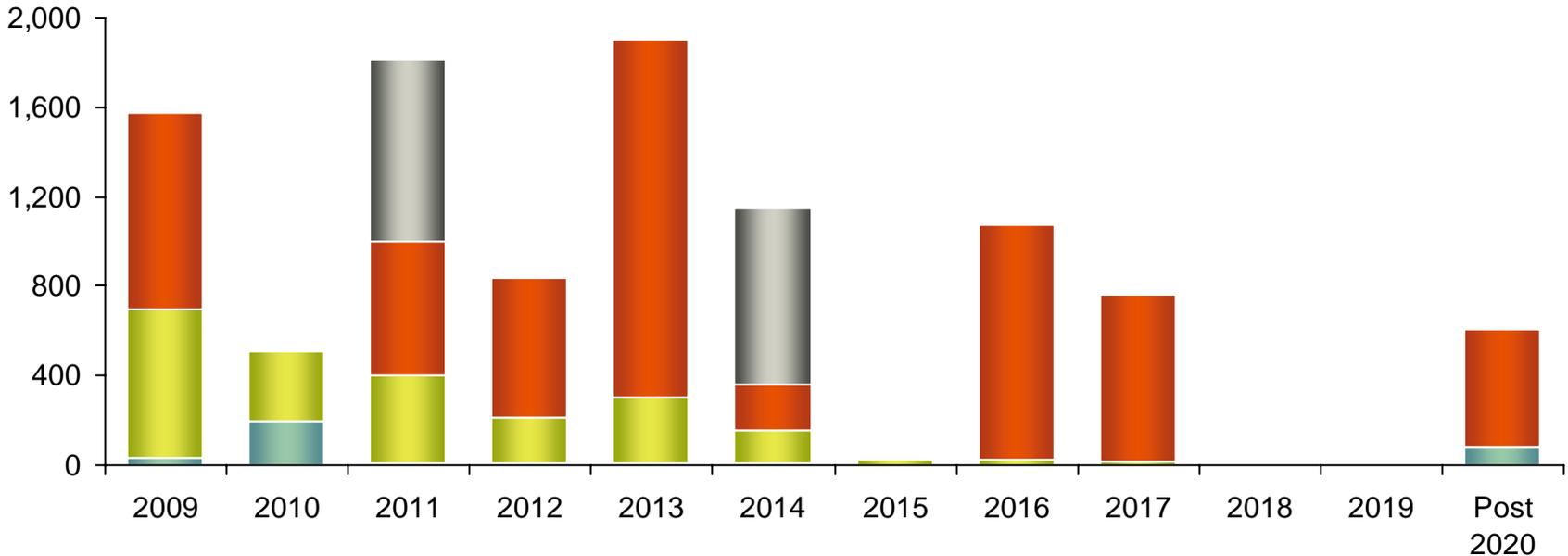
Capital and Exploration Expenditure (US\$bn)



Note: FY 2005 to FY 2008 have been calculated on the basis of IFRS. Prior periods have been calculated on the basis of UKGAAP

Maturity Profile Analysis^(a)

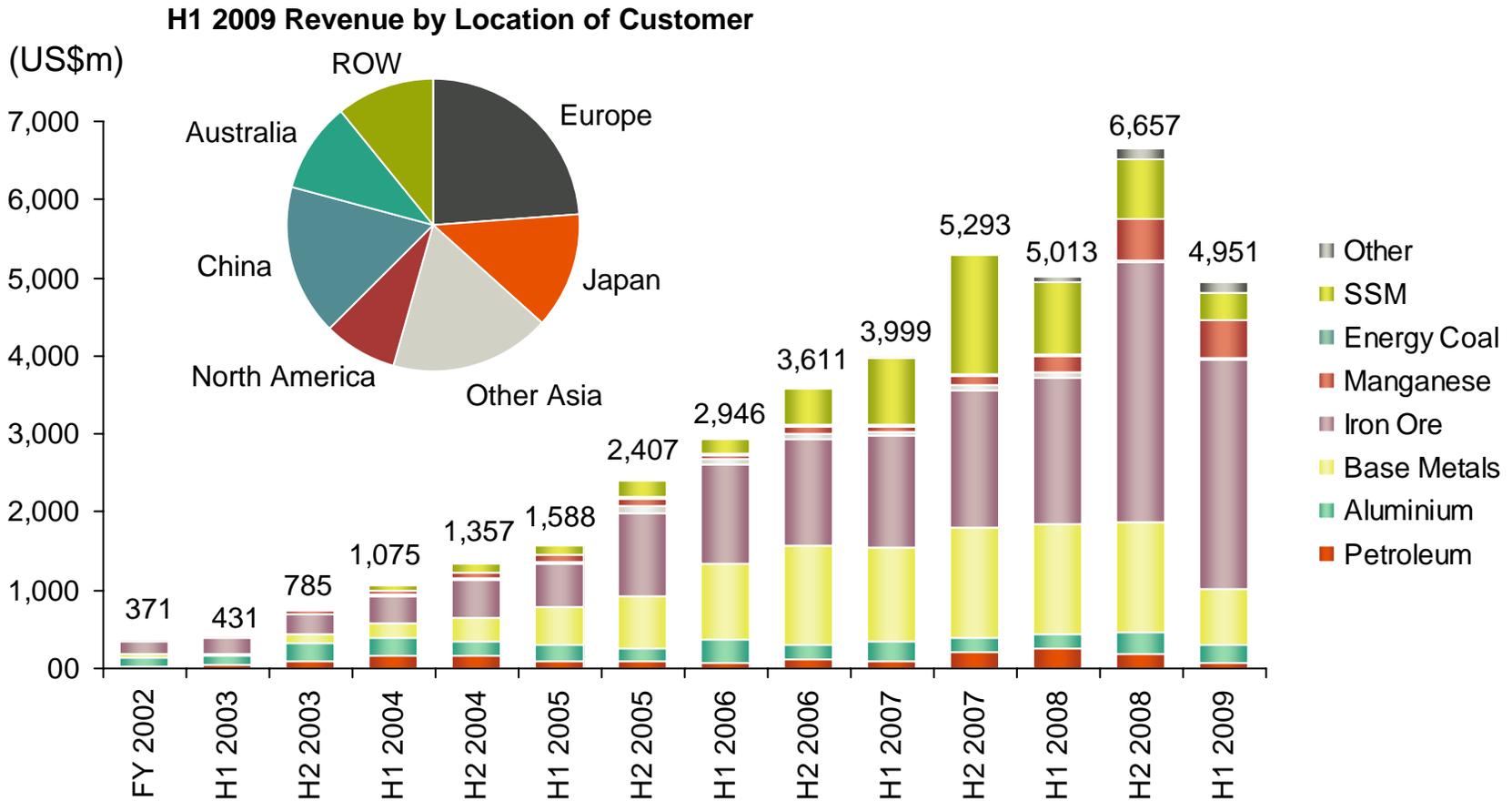
Debt Balances (US\$m^(b))



- a) Based on debt balances as at 31 December 2008
- b) All debt balances are represented in notional US\$ values and based on financial years
- c) Jointly Controlled Entity debt represents BHP Billiton share subject to governing contractual arrangements
- d) Subsidiary debt represents BHP Billiton share of subsidiary debt based on BHP Billiton effective interest

Diversification Remains for Sales into China

- 17% of total company revenues in H1 2009



Summary of Key FX Components in Tax Expense

Restatement of	December 2008 Expense / Income US\$m	December 2007 Expense / Income US\$m
Current Tax Payable	(1,080)	123
Deferred Tax Balances on Fixed Assets	2,688	(266)
Deferred Tax Balances on US\$ Debt	(392)	96
Deferred Tax Balances on Timing Differences	(84)	39
Other Items	31	52
Total	1,163	44

Key Net Profit Sensitivities

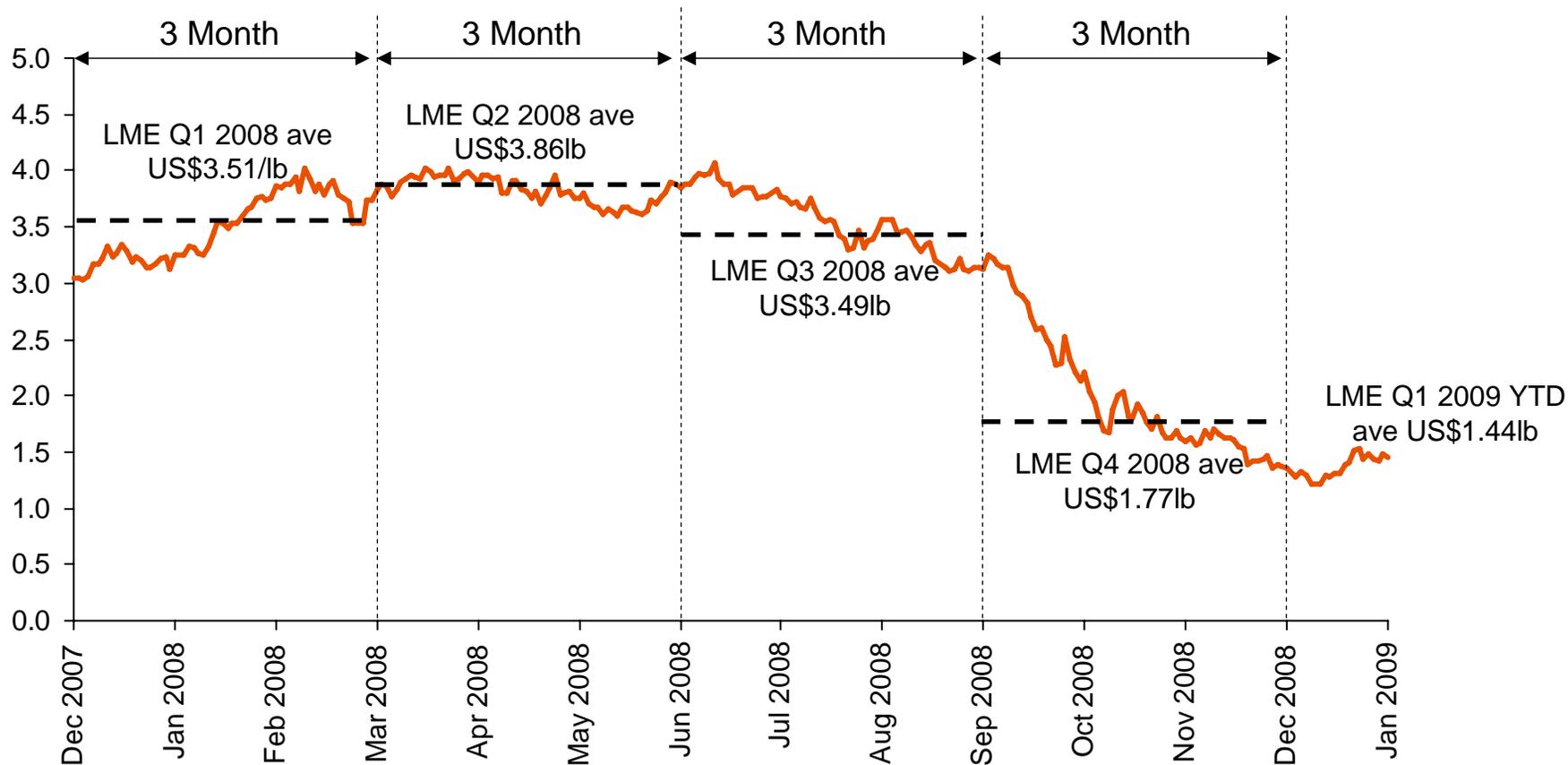
Approximate Impact ^(a) on FY 2009 Net Profit After Tax of Changes of	US\$m
US\$1/t on Iron Ore Price	80
US\$1/bbl on Oil Price	35
US\$1/t on Metallurgical Coal Price	25
USc1/lb on Aluminium Price	25
USc1/lb on Copper Price	20
US\$1/t on Energy Coal Price	20
USc1/lb on Nickel Price	2
AUD (USc1/A\$) Operations ^(b)	80
RAND (0.2 Rand/US\$) Operations ^(b)	25

(a) Assumes total volumes exposed to price

(b) Impact based on average exchange rate for the period

Provisional Pricing

LME – Copper, Grade A Cash US\$/mt – A.M. Official (US\$)



Source: Datastream