



Retail Briefing

Alex Vanselow Chief Financial Officer
June 2010

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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.

Cautionary Note to US Investors

The SEC generally permits mining companies in their filings with the SEC to disclose only those mineral deposits that the company can economically and legally extract. Certain terms in this presentation, including "mineral resources", "measured resources", "indicated resources", "inferred resources", "resource life" and "potential mineralisation" would not generally be permitted in an SEC filing. The material denoted by such terms is not proven or probable reserves as such terms are used in the SEC's Industry Guide 7, and there can be no assurance that BHP Billiton will be able to convert such material to proven or probable reserves or extract such material economically. BHP Billiton urges investors to refer to its Annual Report or Form 20-F for the fiscal year ended 30 June 2009 for its most recent statement of mineral reserves calculated in accordance with Industry Guide 7.

A diversified global portfolio

Aluminium

#4 global producer of bauxite and #4 aluminium company based on net third party sales

Base Metals

#3 global producer of copper, silver and lead

Diamonds & Specialty Products

EKATI Diamond Mine is one of the world's largest gem quality diamond producers

Energy Coal

One of the world's largest producers and marketers of export thermal coal

Iron Ore

One of the world's premier suppliers of iron ore

Manganese

Operations produce a combination of ores, alloys and metal

Metallurgical Coal

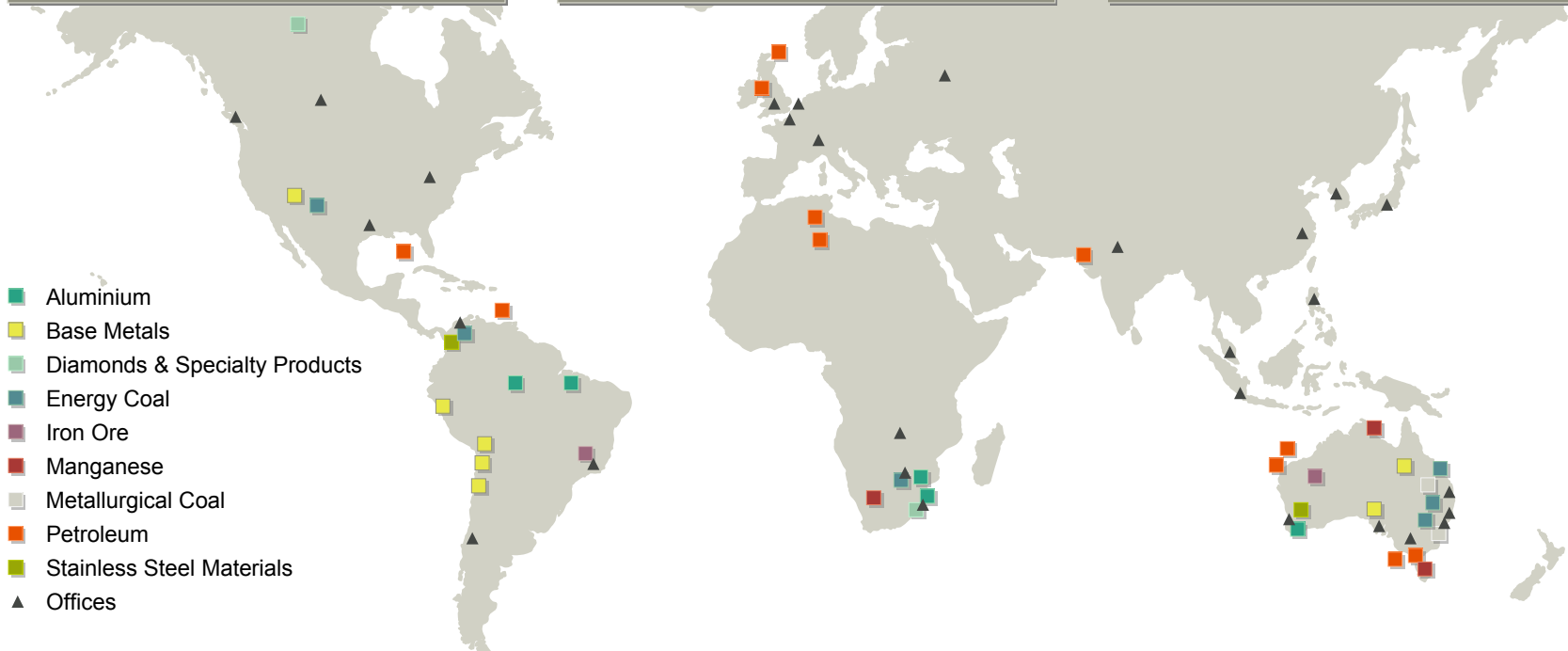
Produce and market high quality hard coking coals for the international steel industry

Petroleum

A significant oil and gas exploration and production business

Stainless Steel Materials

#3 global nickel producer



Note: Ranking based on production volumes. Location of markers indicative only.

Australian Company

Head office Melbourne, Australia

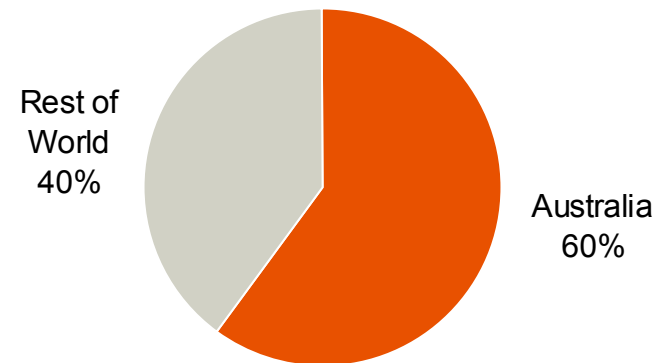
Over 40,000 Australian employees and contractors
(>40% of total)

US\$31.9 billion Book value of assets based in Australia as at 30 June 2009
(41% of total)

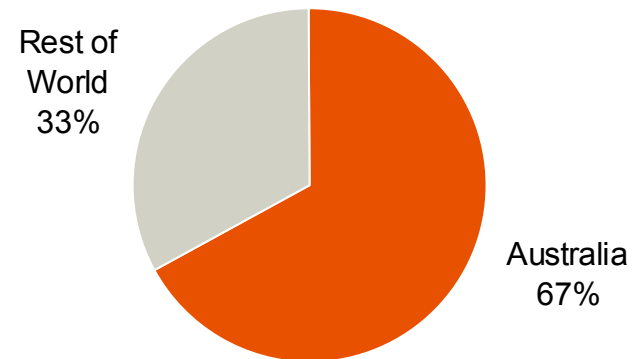
A\$6.3 billion Total Australian taxes paid in FY09

43 per cent Effective Australian tax rate in FY09

FY2009 Revenue generated by region

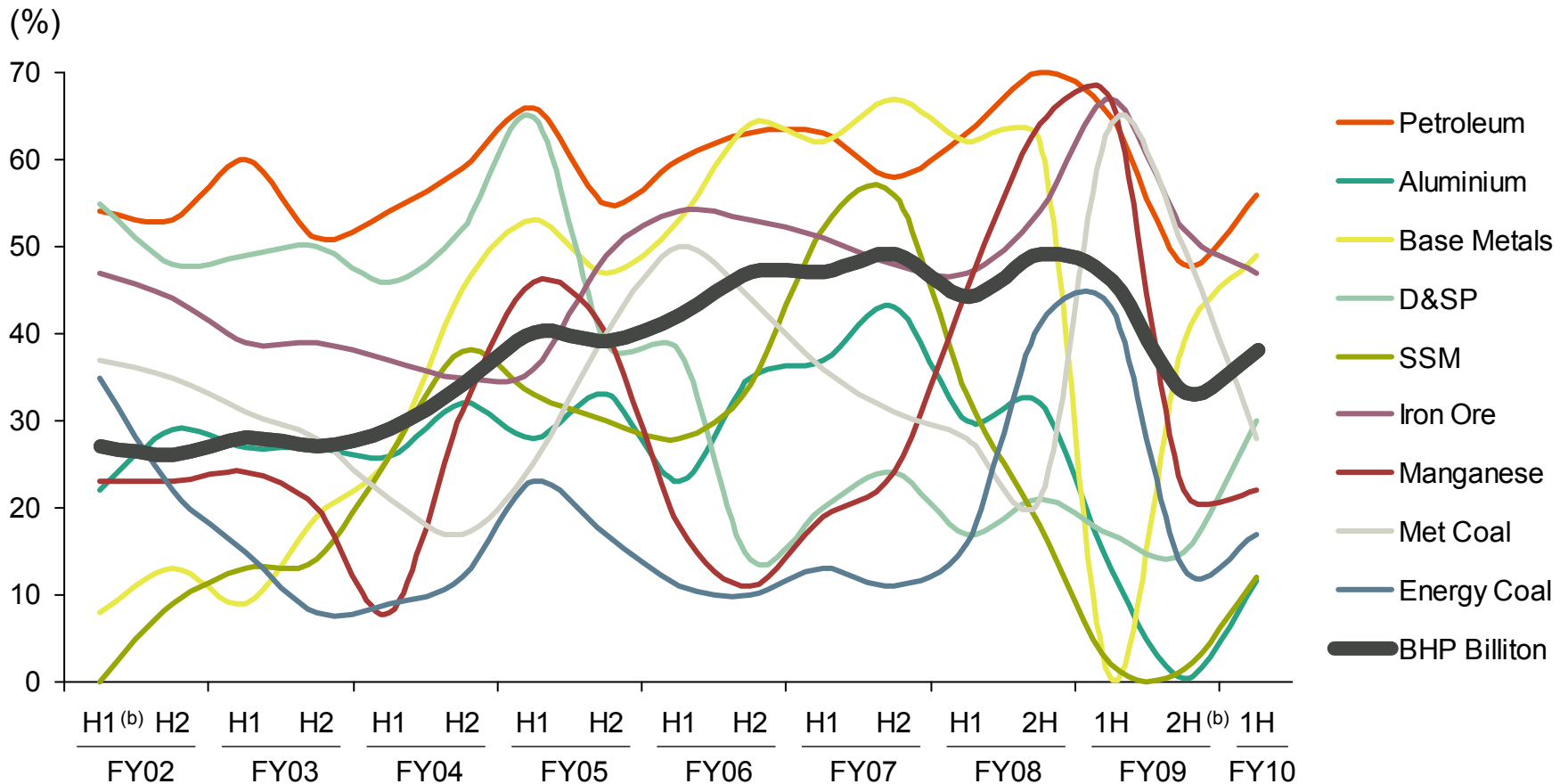


FY2009 Capital expenditure by region



Diversity = Stability and Strength

EBIT Margin^(a)

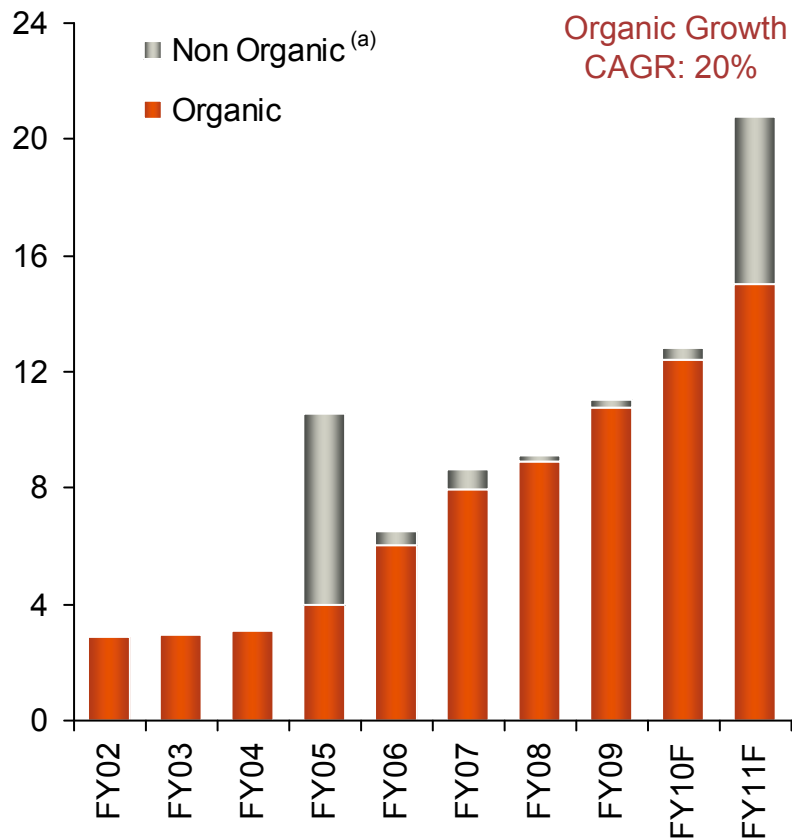


(a) Calculated on the basis of UKGAAP for periods prior to FY05, except for the exclusion of PRT from Petroleum's and BHP Billiton Group's results for all periods. All periods exclude third party trading activities. The Exploration and Technology business has been included in BHP Billiton Group's results from FY02 to FY05 and excluded from Diamonds and Speciality Products.

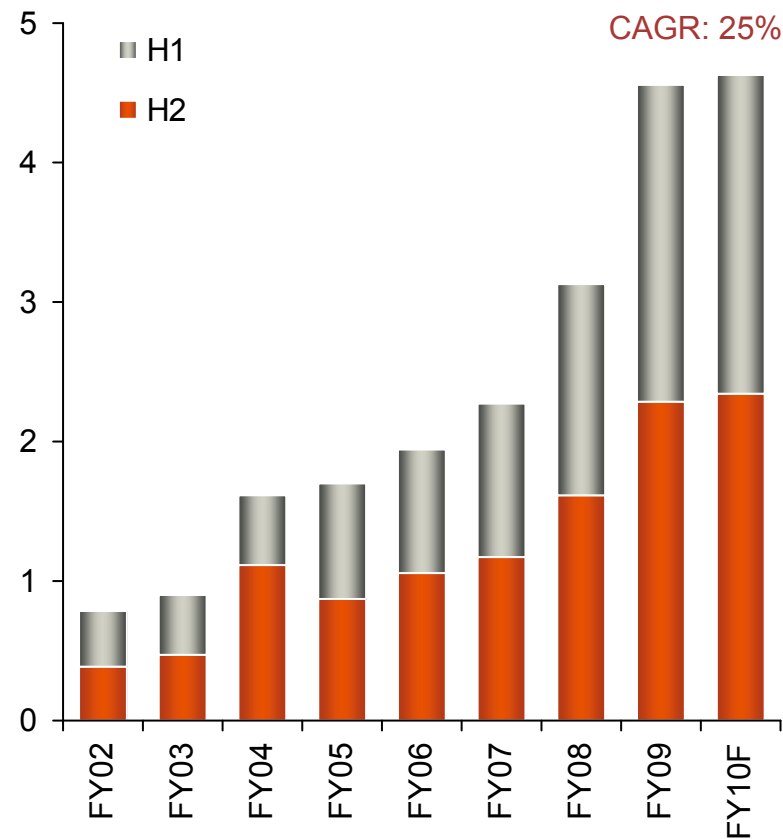
(b) Negative margins are not shown as the y-axis is set at zero. SSM had a negative EBIT margin in H1 FY02, both Base Metals and SSM had negative EBIT margins in H1 FY09 and both Aluminium and SSM had negative EBIT margins in H2 09.

Progressive growth and income

Investments (US\$bn)



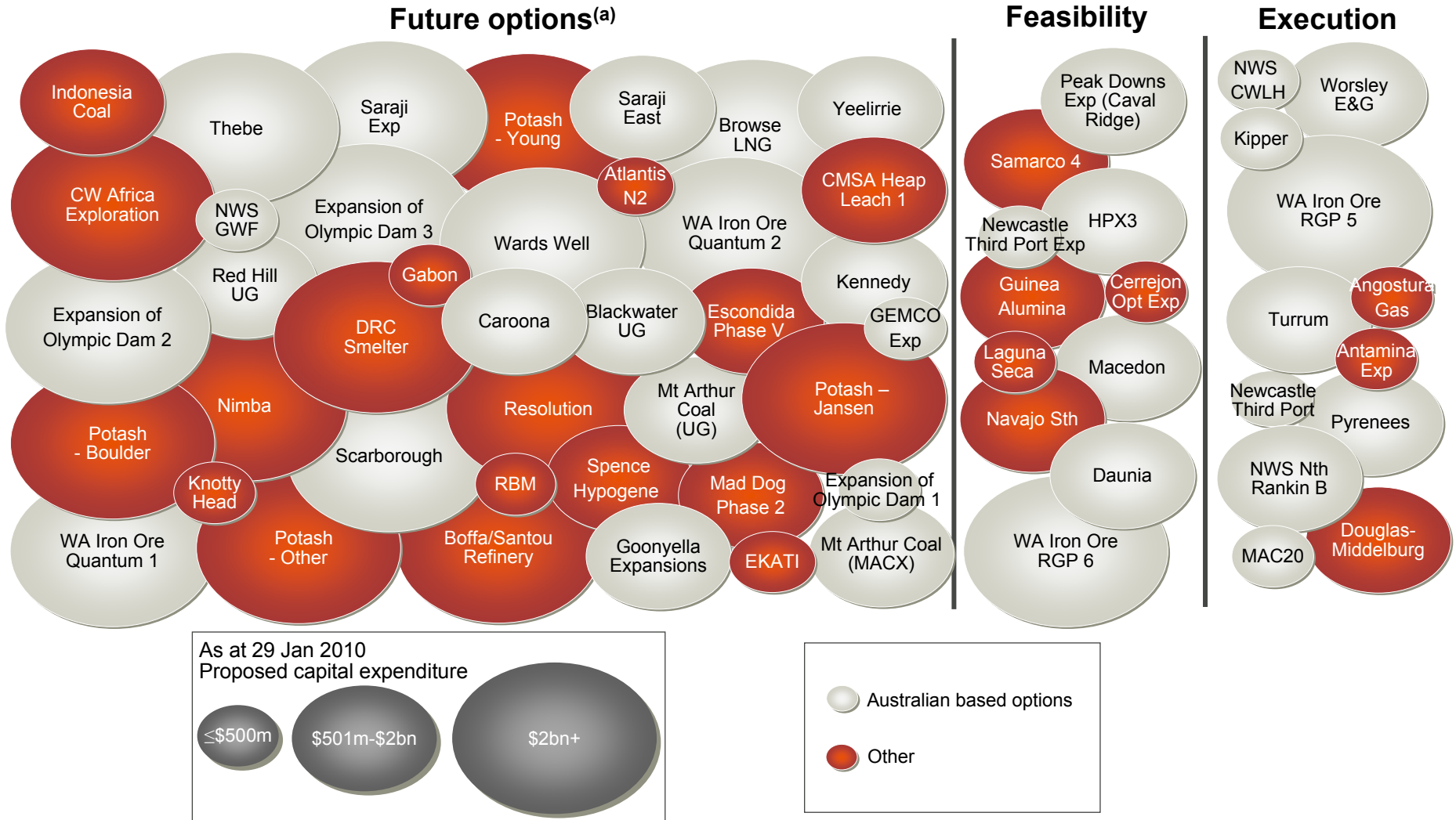
Cash Dividends^(b) (US\$bn)



(a) Reflecting announced transactions only. FY11F relates to Western Australia Iron Ore Production Joint Venture equalisation payment to Rio Tinto which is subject to finalisation adjustments.

(b) H2 FY10 payment includes dividend declared on 10 February 2010.
Calculated on the basis of UKGAAP for periods prior to FY05.

Maintenance of a deep diversified inventory of growth options

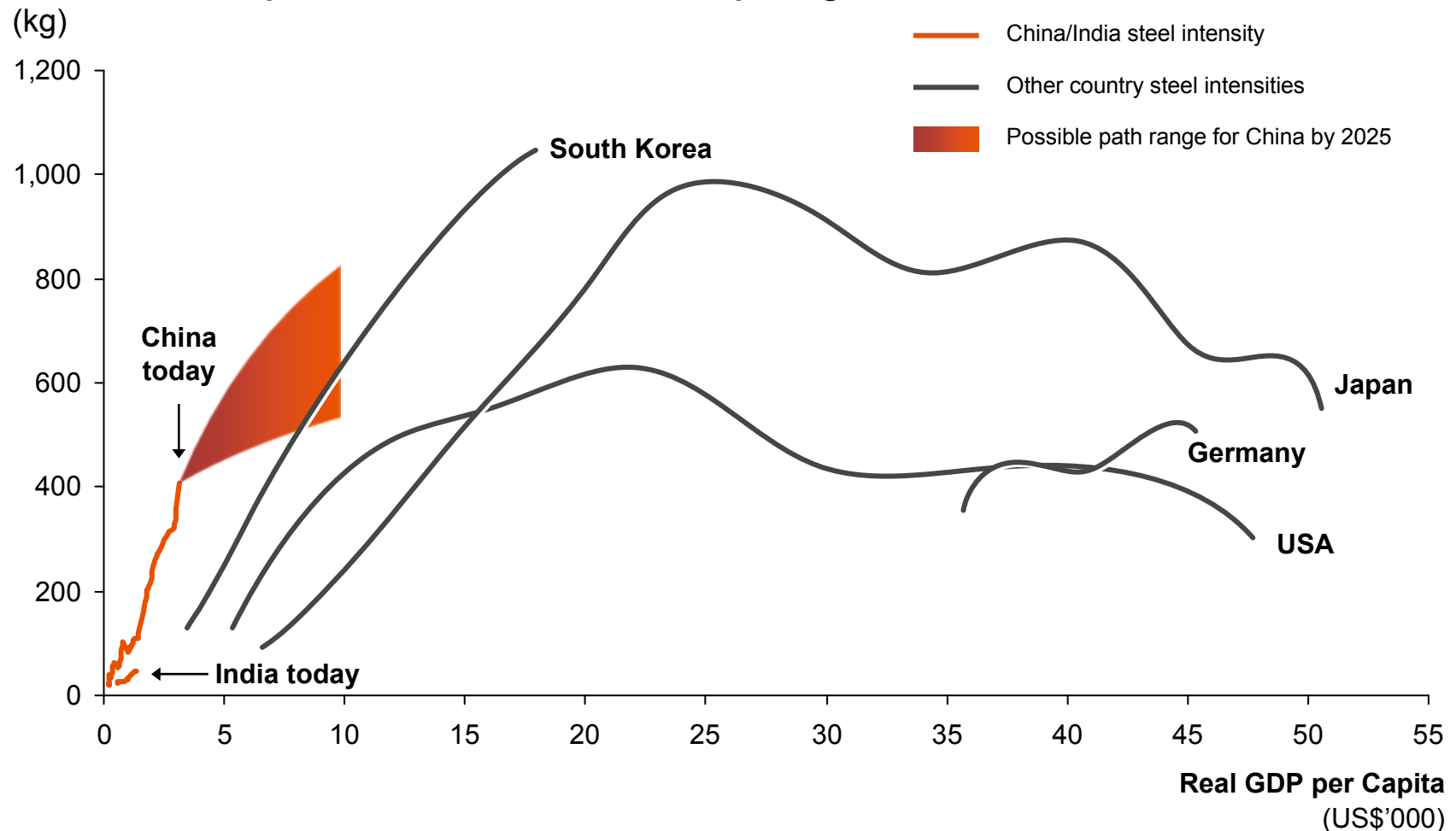


The proposed new super tax on resources in Australia adds a layer of uncertainty to our project approval process and timing.

(a) Placement of Future Options not indicative of Project Schedule.

Steel intensity per capita grows strongly as a nation becomes wealthier

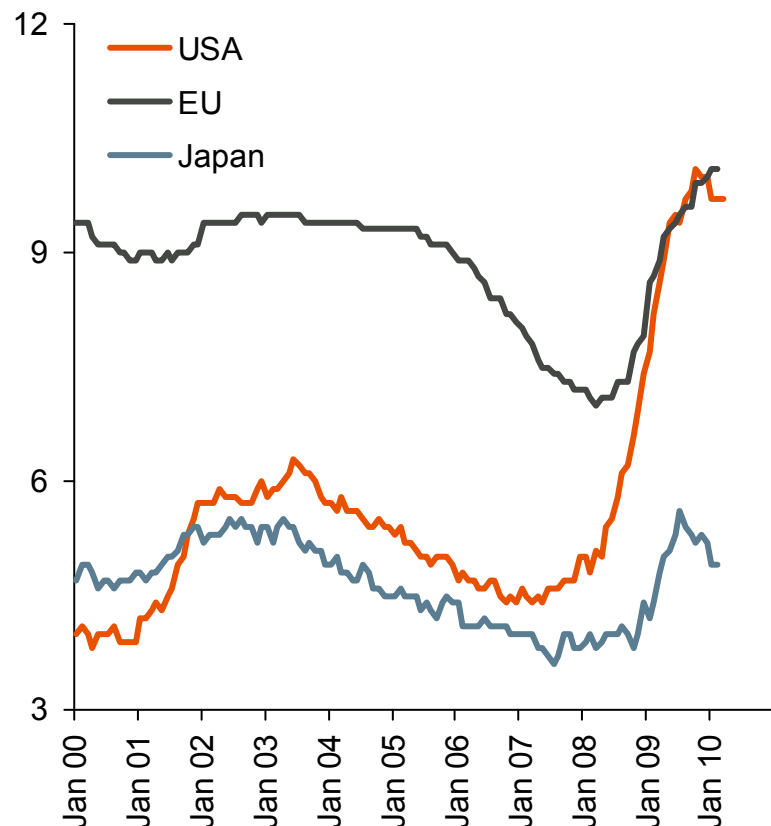
Industrial development & finished steel consumption growth



Source: CISA, WMM, Global Insight, BHP Billiton.

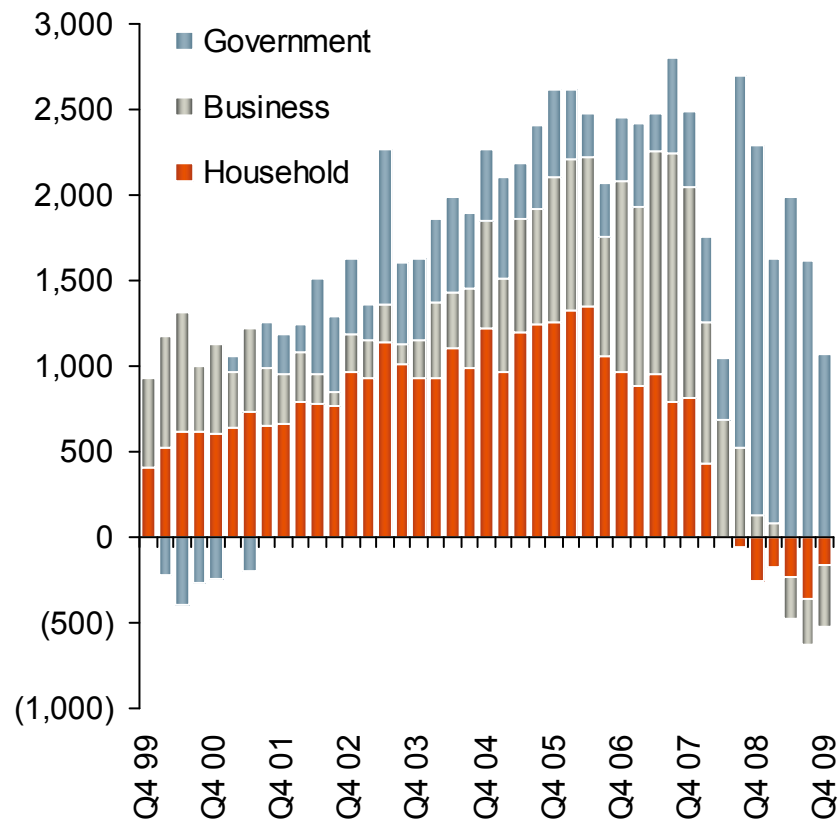
Global near term risks remain

Unemployment rates
(%)



Source: Government Employment Statistics.

US borrowing flows by Sector (annualised)
(US\$bn)



Source: US Federal Reserve Flow of Funds.
Annualised Borrowing calculated from the quarterly change in debt outstanding.

What is the proposed resources super tax

- A 40% additional tax on operating profits
 - Rebate for state royalties already paid
 - Applied pre-interest expense
 - Deductible for company tax
 - Consequently, increases to 57% the statutory tax rate on Australian assets
- Applies to all Australian resources – unless already captured under the PRRT regime
- Retrospective application – so successful and heavily depreciated operating assets are impacted
- Government refund of 40% of a loss in the event of a project's closure, provided that the loss cannot be transferred to another project – not bankable
- All new proposed expansions will also be captured
- Takes effect from 1 July 2012
- It is not the PRRT – aside from the 40% tax rate, the mechanics are very different

Four Principles of Sound Tax Reform

PRINCIPLE	DESCRIPTION
Prospectivity	<ul style="list-style-type: none">▪ Not changing the rules of the game after the investment has already been made▪ Stable fiscal regime is essential for maintaining trust with providers of capital and investors▪ The view of Australia as a stable sovereign risk has changed
Maintain international competitiveness	<ul style="list-style-type: none">▪ Australia is not the only resource rich country▪ To the extent that projects in other countries offer a better rate of return than capital can, and will, migrate to other countries▪ There will be adverse consequences for jobs, household wealth, and growth if enacted
Differentiated	<ul style="list-style-type: none">▪ Rates and application must consider that risk, return and investment profiles differ for each different commodity▪ Different commodities face different tax rates globally▪ Individual minerals are different, and all minerals are different to oil
Resource based	<ul style="list-style-type: none">▪ Seek to encourage investment in infrastructure and processing▪ A resources tax should be limited to the value of the resource, not the value-added from infrastructure and other activities (eg. processing and smelting)▪ This maximises the value of Australian resources to the Australian economy

Resources super tax – myths and facts

MYTH

FACT



Slowing mining growth would 'help' Australia's economy



But, as Kevin Rudd stated in his 2007 Budget Reply Speech: *'... we have prospered from the rise of China, the rise of India and the global resources boom. The benefits of this are washing through the economy, creating jobs, generating new businesses and boosting government revenues to an all time high'*



The Government's new tax is a 'super profits' tax



Profits above 6% on the original book value of assets aren't "super profits"



The proposed super tax is in line with global precedents



No other country has imposed such a high tax rate on its mining industry



Similar global taxes exist in the oil & gas industry, but not mining



The new tax will increase investment in Australian mining



The Government's statement is that based on theoretical modelling in the 'long-run' what this doesn't address is the potential severe impact in the short and medium-term to the industry, the Australian economy and jobs



The proposed super tax is similar to the PRRT



When the PRRT was introduced it did not apply retrospectively to investments made prior to 1984 (when the tax was first publicly proposed)



Whilst a 40% rate is globally competitive in oil & gas, it is not in the minerals industry

Mining projects were cancelled or placed on hold following the RSPT announcement

	ECONOMIC IMPACT	PROJECT ISSUE
Fortescue Metals Group	<ul style="list-style-type: none"> ▪ On hold: A\$17.2 billion investment^(a) ▪ On hold: 22,500 construction and 10,000 ongoing jobs 	<ul style="list-style-type: none"> ▪ Fortescue delayed two of three expansion projects, citing the “uncertainty” and RSPT “cash impost ... on future business revenues” ▪ Additionally, the 40% “tax guarantee” is considered to have “no lending value” by financiers
Xstrata	<ul style="list-style-type: none"> ▪ On hold: A\$586 million investment in Queensland^(b) ▪ On hold: 3,250 new jobs 	<ul style="list-style-type: none"> ▪ “The two projects involve significant risks and total capital investment of over A\$6.4 billion.” ▪ “RSPT has created significant uncertainty for the future of mining investment into Australia”
Cape Lambert Resources Ltd	<ul style="list-style-type: none"> ▪ Cancelled: A\$200 million development project^(c) 	<ul style="list-style-type: none"> ▪ Cape Lambert decided to invest money in a project in Sierra Leone instead.

(a) FMG ASX Release, “Implications of the Proposed Resource Super Profit Tax”, 19 May 2010 (US\$15 billion converted at exchange rate on 19 May 2001 of 1:1.14531; www.oanda.com).

(b) Xstrata media release, “Suspension of expenditure on A\$6b Wandoan Coal and A\$600m Ernest Henry underground copper projects in Queensland” 3 June 2010.

(c) Cape Lambert Resources ASX announcement “Response to ASX Query”, 5 May 2010; estimated value, Tony Sage, Cape Lambert Executive Chair in ABC News Lateline Business, 5 May 2010.



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resourcing the future