

Newman, Australia



# CLSA Investors' Forum

**Alberto Calderon** Chief Commercial Officer  
14 September 2010



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## Reliance on third party information

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## No offer of securities

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 in BHP Billiton’s financial information exclude any exceptional items. A reconciliation between Underlying EBIT and Profit from Operations is contained within the profit announcement, available at BHP Billiton’s website [www.bhpbilliton.com](http://www.bhpbilliton.com).

## PotashCorp offer

The offer to purchase all of the issued and outstanding common shares of PotashCorp (the “Offer”) is being made by BHP Billiton Development 2 (Canada) Limited (the “Offeror”), an indirect wholly-owned subsidiary of BHP Billiton Plc. This document is for information purposes only and does not constitute or form part of any offer to purchase or any solicitation of any offer to sell PotashCorp’s common shares. The Offer (as the same may be varied or extended in accordance with applicable law) is being made exclusively by means of, and subject to the terms and conditions set out in, the offer and the circular, the letter of transmittal, the notice of guaranteed delivery and other related tender offer materials (the “Offer Materials”).

In connection with the Offer, the Offeror, BHP Billiton Limited and BHP Billiton Plc have filed with the Canadian securities regulatory authorities the Offer Materials and have filed with the U.S. Securities and Exchange Commission (the “SEC”) a Tender Offer Statement on Schedule TO (the “Schedule TO”), including the Offer Materials.

THE OFFER MATERIALS AND THE SCHEDULE TO, AS THEY MAY BE AMENDED FROM TIME TO TIME, CONTAIN IMPORTANT INFORMATION, INCLUDING THE TERMS AND CONDITIONS OF THE OFFER, THAT SHOULD BE READ CAREFULLY BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER. INVESTORS AND SECURITY HOLDERS MAY OBTAIN A FREE COPY OF THE OFFER MATERIALS AND OTHER DOCUMENTS FILED BY THE OFFEROR, BHP BILLITON LIMITED AND BHP BILLITON PLC WITH THE SEC AT THE WEBSITE MAINTAINED BY THE SEC AT [WWW.SEC.GOV](http://WWW.SEC.GOV) AND WITH THE CANADIAN SECURITIES REGULATORY AUTHORITIES AT [WWW.SEDAR.COM](http://WWW.SEDAR.COM). MATERIALS FILED WITH THE SEC OR THE CANADIAN SECURITIES REGULATORY AUTHORITIES MAY BE OBTAINED WITHOUT CHARGE AT BHP BILLITON’S WEBSITE, [WWW.BHPBILLITON.COM](http://WWW.BHPBILLITON.COM), OR BY CONTACTING THE INFORMATION AGENTS FOR THE OFFER, MACKENZIE PARTNERS, INC. AND KINGSDALE SHAREHOLDER SERVICES INC., BY PHONE AT 1-800-322-2885 AND 1-866-851-3215, RESPECTIVELY, OR BY EMAIL AT [potash@mackenziepartners.com](mailto:potash@mackenziepartners.com), AND [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com), RESPECTIVELY.

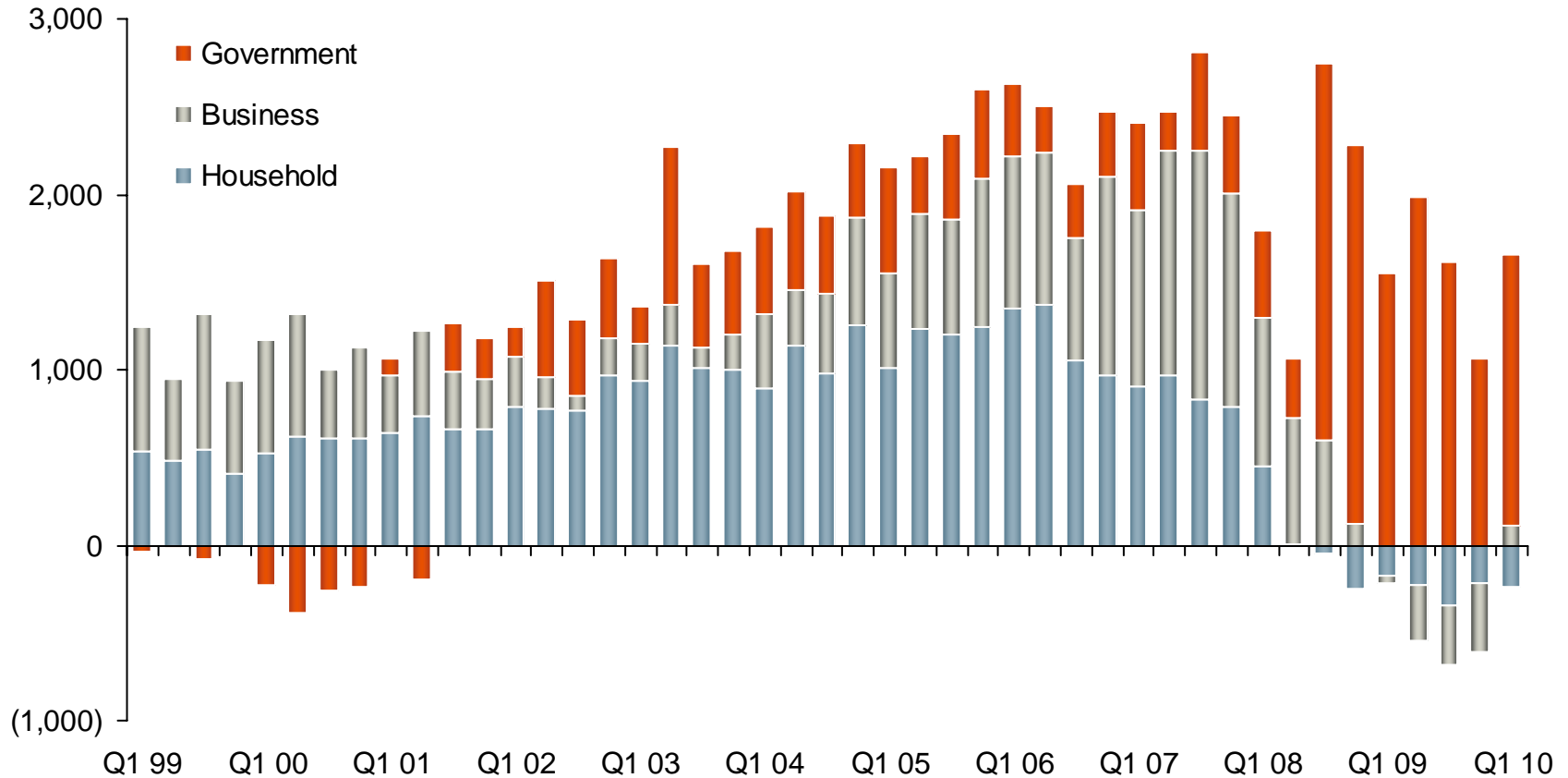
While the Offer is being made to all holders of PotashCorp common shares, the Offer is not being made or directed to, nor will deposits of PotashCorp common shares be accepted from or on behalf of, holders of PotashCorp common shares in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer in any such jurisdiction.

Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of any member of the BHP Billiton Group, PotashCorp or the enlarged BHP Billiton Group following completion of the Offer unless otherwise stated.

- BHP Billiton – A year in review
- PotashCorp – A compelling offer for a Tier 1 business

# OECD debt levels remain a fundamental issue

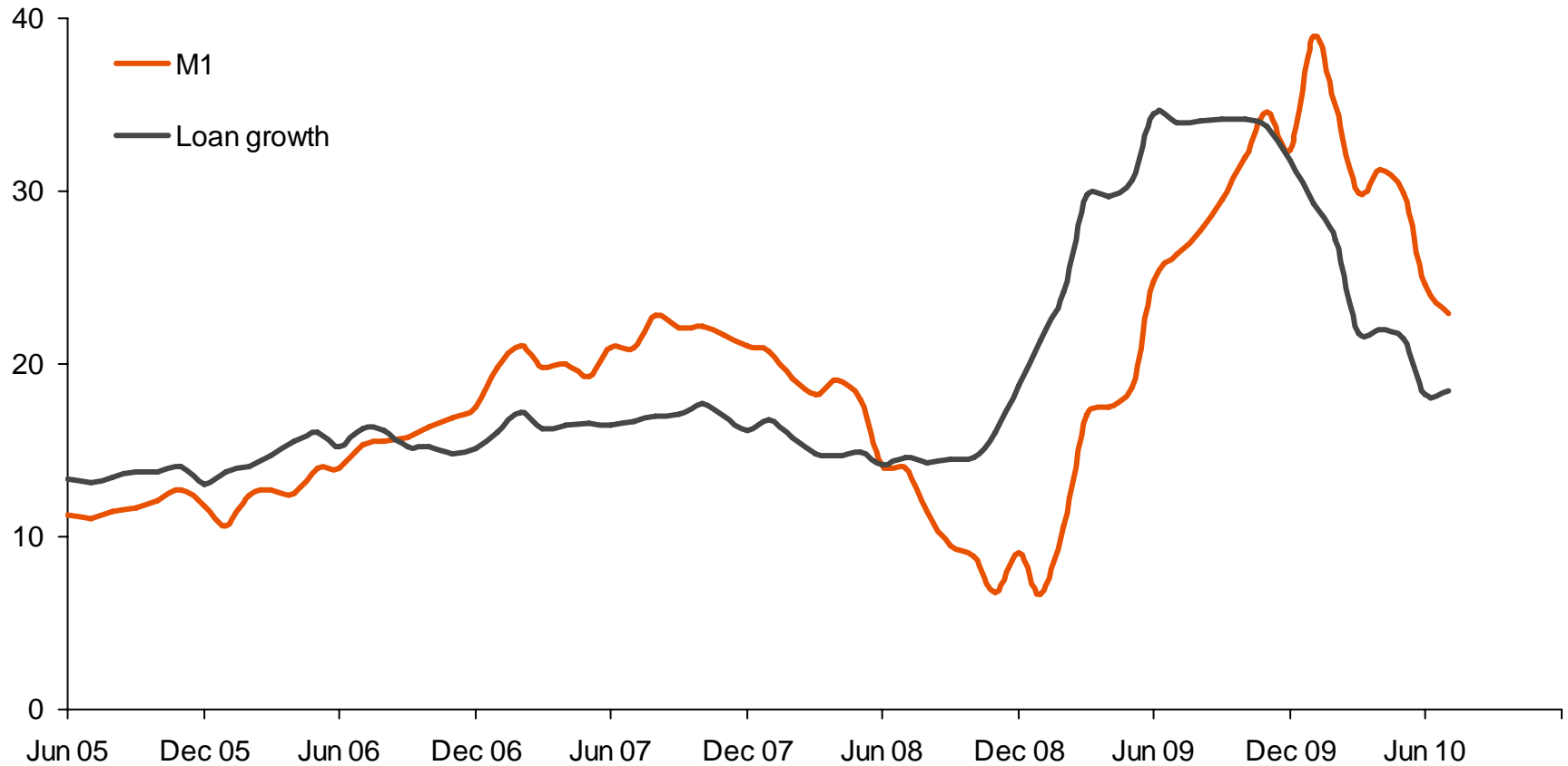
## US borrowing flows by sector (annualised) (US\$ billion)



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

# China is also slowing its economy near term

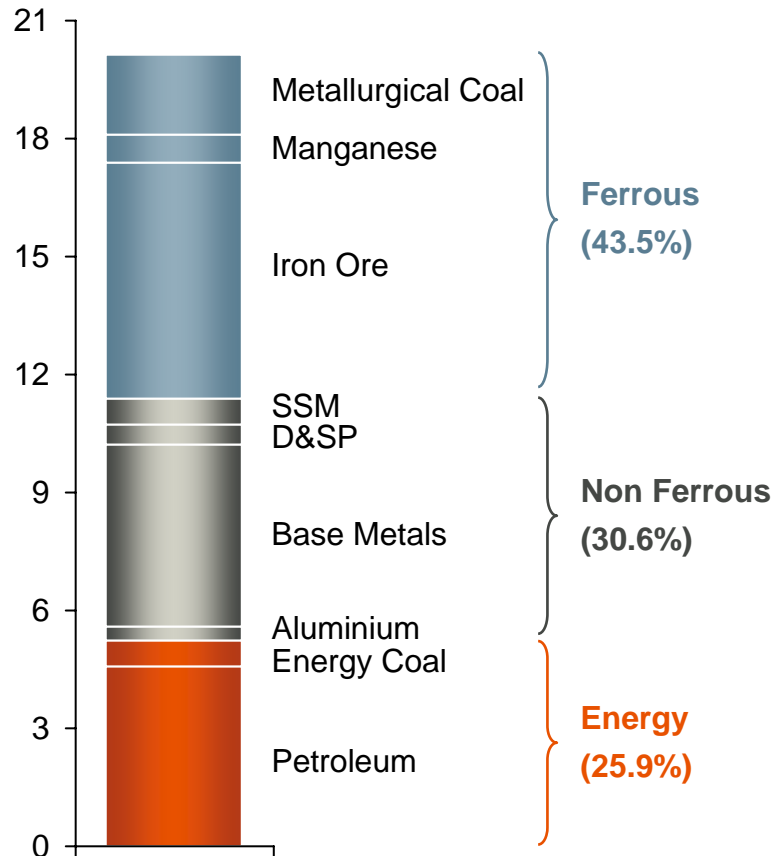
## Money supply (M1) and credit growth (YoY %)



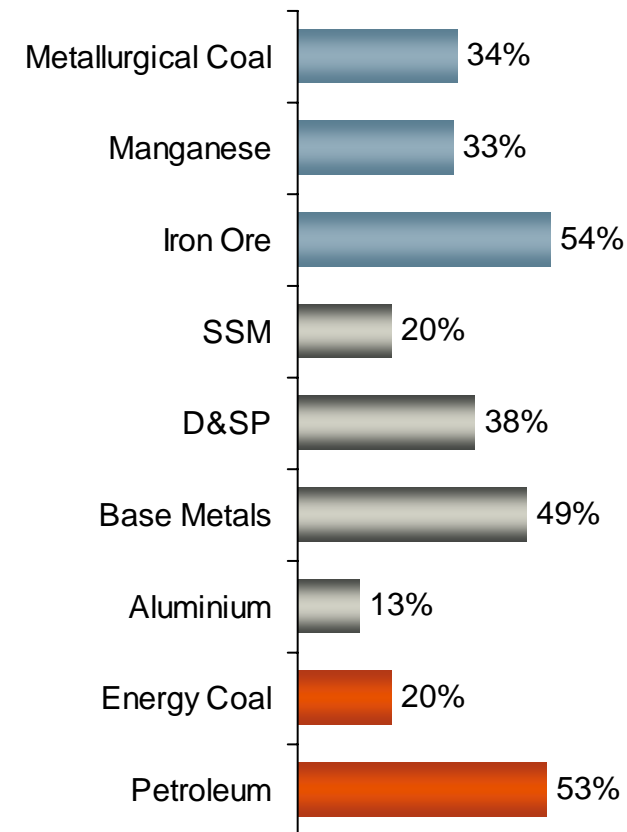
Source: CEIC.

# A uniquely diversified portfolio

**Underlying EBIT<sup>(a)</sup>**  
(FY10, US\$ billion)



**Underlying EBIT margin<sup>(a)</sup>**  
(FY10, %)

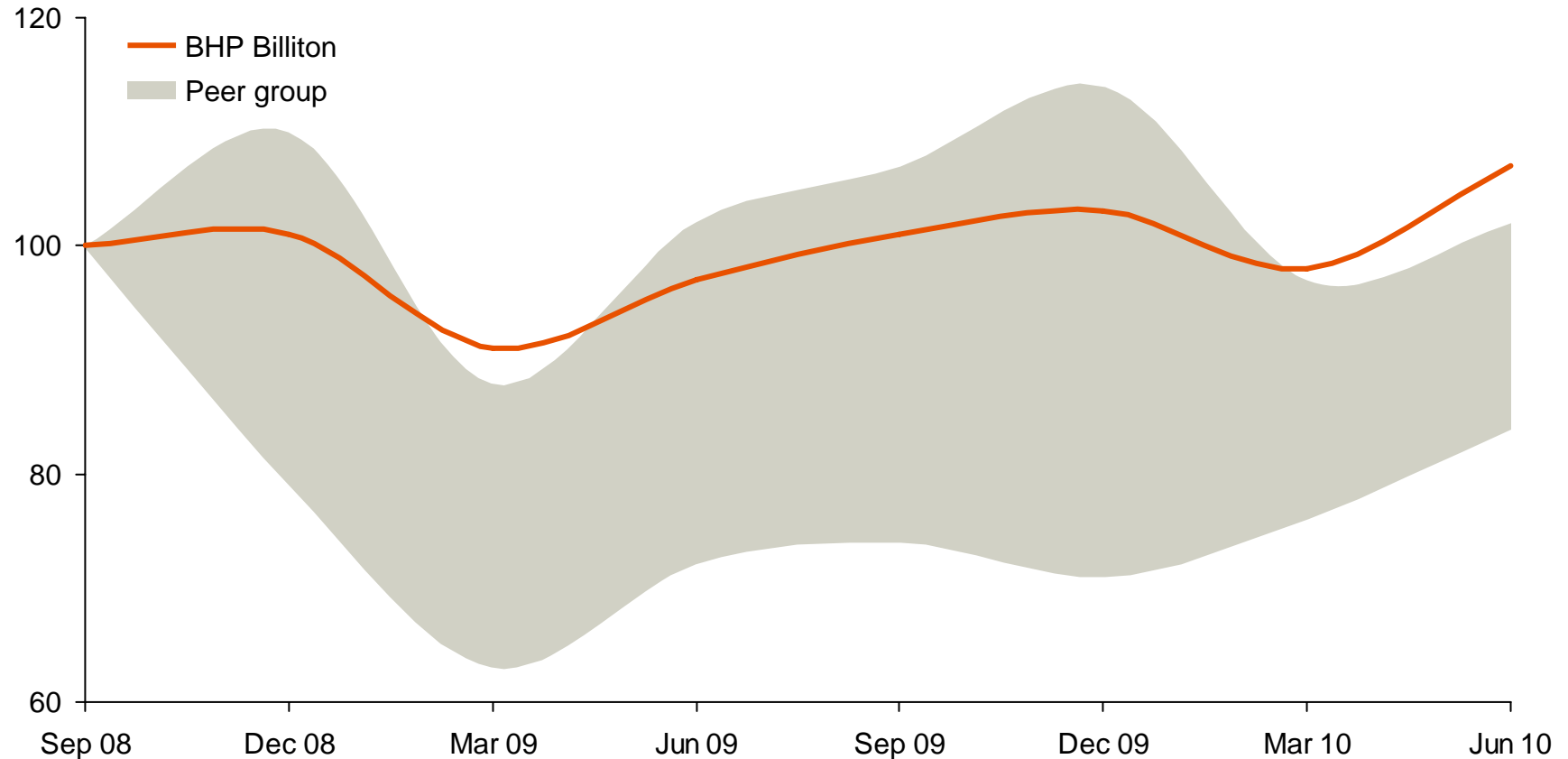


(a) Excludes third party trading.

# Successful execution of a well defined and simple strategy

## Diversified peer production comparison – June 2010

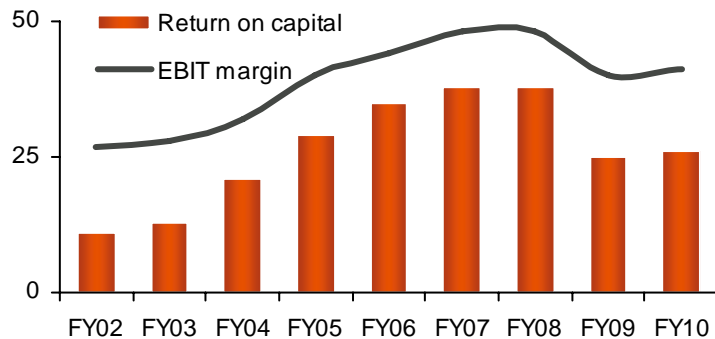
(Copper equivalent units<sup>(a)</sup> – Indexed to 100, for the quarter ended September 2008)



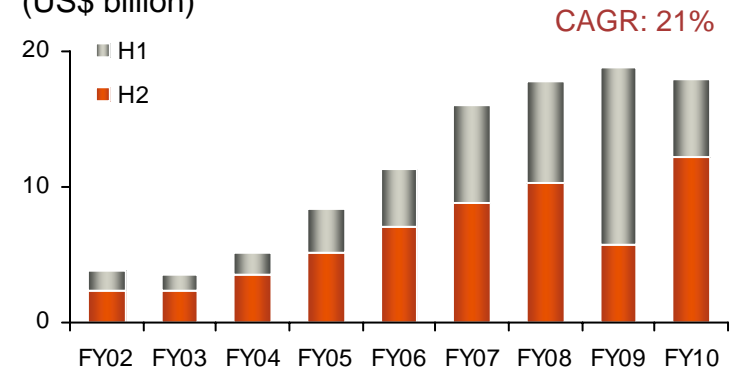
(a) Copper equivalent units based on 30 June 2010 spot prices where available.

# A strong balance sheet creates opportunities

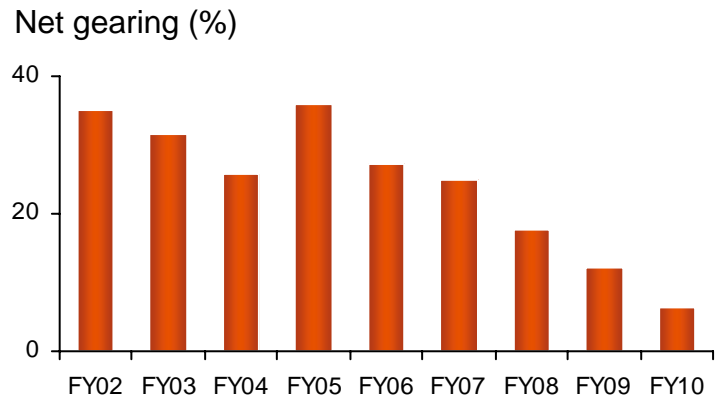
## 1 Return on capital and EBIT margin (%)



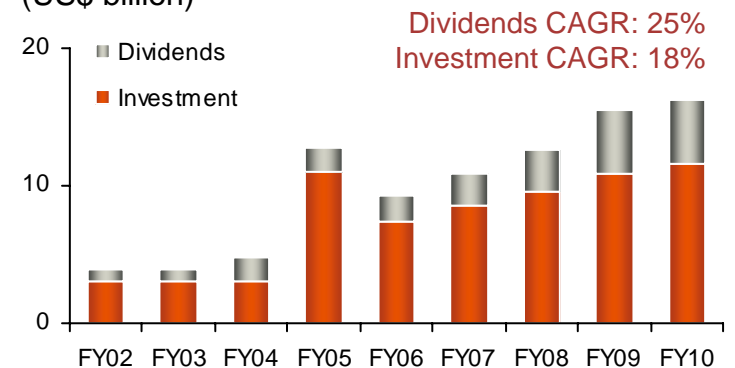
## 2 Net operating cash flow (US\$ billion)



## 3 Balance sheet



## 4 Investment<sup>(a)</sup> and cash dividends (US\$ billion)



All periods exclude third party trading and exceptional items.  
Calculated on the basis of UKGAAP for periods prior to FY05.

(a) Investment includes capital and exploration expenditure and acquisitions.



- BHP Billiton – A year in review
- PotashCorp – A compelling offer for a Tier 1 business

# All cash offer for PotashCorp

## Compelling offer to PotashCorp shareholders

- All cash offer of US\$130 per share for PotashCorp
- Attractive premium, immediate liquidity and certainty of value regarding the company's growth potential
- Fully financed with committed credit facilities
- Minimum tender condition of more than 50% of PotashCorp shares outstanding
- Closing subject to regulatory approvals and other conditions

## Benefits for Canada

- BHP Billiton is committed to establishing a truly Canadian potash business
- Significant benefits to Saskatchewan, New Brunswick and Canada
- Undertakings will be given in respect of operations, employees and other stakeholders of PotashCorp

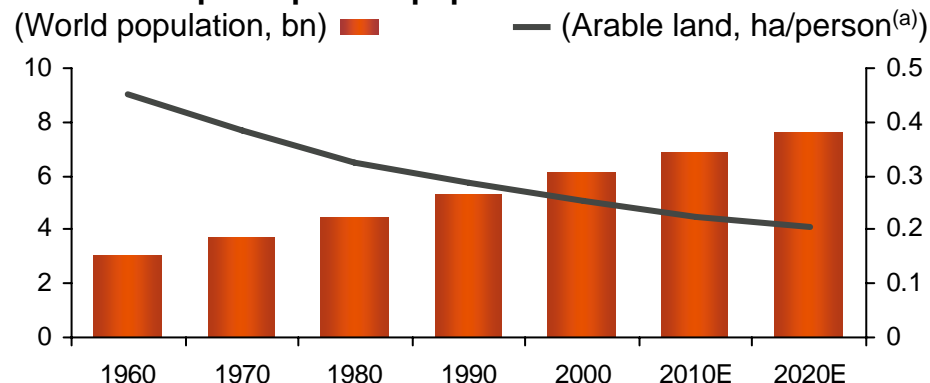
## Attractive opportunity for BHP Billiton shareholders

- Consistent with our strategy of investing in large, long-life, low-cost, expandable and export oriented assets
- Accelerates BHP Billiton's entry into the fertilizer industry
- Leading fertilizer producer with attractive portfolio of assets
- Enhances BHP Billiton's commodity, geographic and customer diversification
- BHP Billiton remains committed to maintaining a solid A credit rating
- Leverages BHP Billiton's global capability and experience in building, operating and expanding mining operations
- Expected to be EPS accretive in second full fiscal year following consolidation

# Potash mining is attractive for BHP Billiton

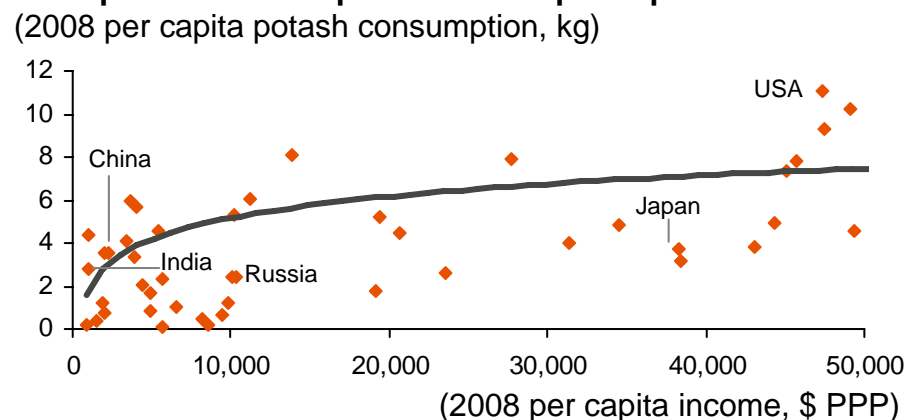
- Attractive industry fundamentals
  - Increasing demand for food
  - Decreasing arable land per capita
  - Shift to higher protein diets
  - Need for more balanced fertilization to maximize yields
- Common characteristics with other mining operations in which BHP Billiton is a leader
  - Globally traded commodity
  - Export orientated
  - Large scale
- Leverages BHP Billiton's global capability and experience in building, operating and expanding mining operations

## Arable land per capita vs. population



Source: US Census Bureau, International Data Base, International Feed Industry Federation.  
(a) Hectares Per Person of Arable Land & Land in Permanent Crops.

## Total potash consumption vs. GDP per capita

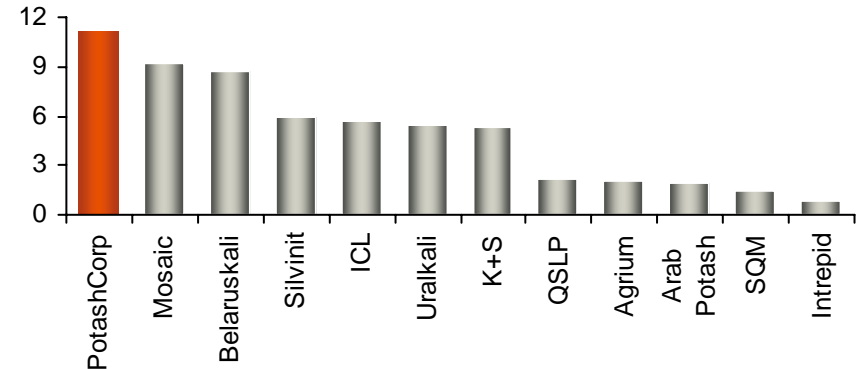


Source: Global Insight, Fertecon.

# PotashCorp has a Tier 1 asset portfolio

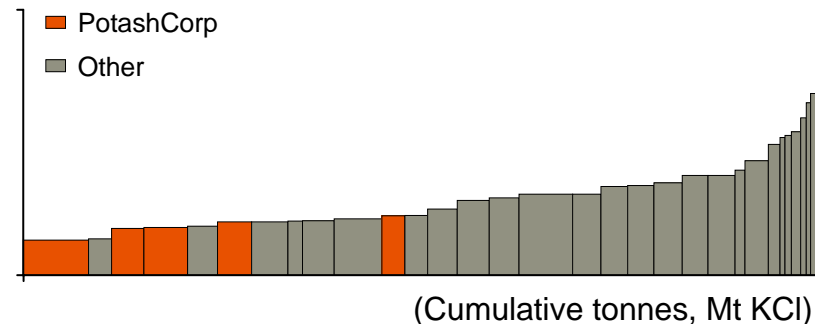
- High quality mining portfolio
  - Large, long-life
  - Well positioned on the cost curve
  - Expandable
  - Export-oriented
  
- Attractive margins
  
- BHP Billiton's and PotashCorp's potash mining assets are a natural fit
  
- Attractive positions in phosphate and nitrogen

## World's largest potash company (2009 capacity, mmt)



Source: PotashCorp and company disclosures.  
Reflects "Operational capability" for PotashCorp, stated capacity for other producers.

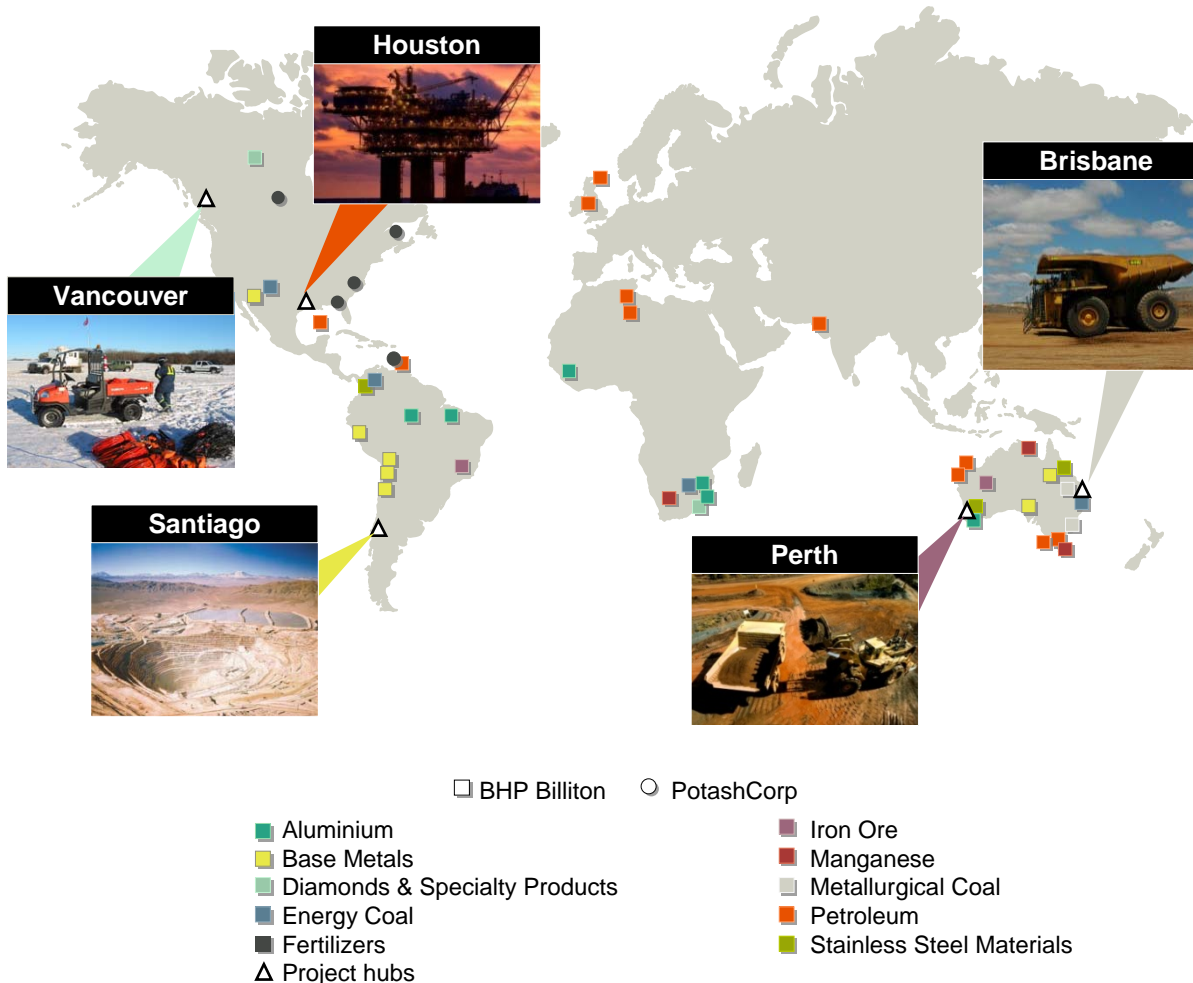
## PotashCorp has low-cost potash operations (Cash costs, \$/t KCl at minegate)



Source: CRU 2014 cost curve (based on conversion costs at capacity).  
Excludes Greenfield projects.

# Further diversifies a scalable organisation

## Combined operations



- Attractive new commodity
- New set of customers in North and South America
- More significant operating position in Canada, an attractive investment destination
- Multiple, scalable projects to meet growing demand over the long term

# We are well positioned

- The baseline strategy is unchanged
- We have delivered another strong set of results
- Our unique portfolio positions us to deliver superior margins and returns
- The acquisition of PotashCorp is consistent with our strategy



Port Hedland, Australia



**bhpbilliton**

resourcing the future