



# Citi Global Resources Conference

**Andrew Mackenzie** Chief Executive Non-Ferrous  
7 March 2012



## Forward-Looking Statements

This presentation includes forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 regarding future events, conditions, circumstances and the future financial performance of BHP Billiton, including for capital expenditures, production volumes, project capacity, and schedules for expected production. Often, but not always, forward-looking statements can be identified by the use of the words such as “plans”, “expects”, “expected”, “scheduled”, “estimates”, “intends”, “anticipates”, “believes” or variations of such words and phrases or state that certain actions, events, conditions, circumstances or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this presentation. For more detail on those risks, you should refer to the sections of our annual report on Form 20-F for the year ended 30 June 2011 entitled “Risk factors”, “Forward looking statements” and “Operating and financial review and prospects” filed with the U.S. Securities and Exchange Commission. All estimates and projections in this presentation are illustrative only. Our actual results may be materially affected by changes in economic or other circumstances which cannot be foreseen. Nothing in this presentation is, or should be relied on as, a promise or representation either as to future results or events or as to the reasonableness of any assumption or view expressly or impliedly contained herein.

## Non-IFRS Financial Information

BHP Billiton results are reported under International Financial Reporting Standards (IFRS) including Underlying EBIT and Underlying EBITDA which are used to measure segment performance. This presentation also includes certain non-IFRS measures including Attributable profit excluding exceptional items, Underlying EBIT margin, Underlying EBITDA interest coverage and Underlying effective tax rate. These measures are used internally by management to assess the performance of our business, make decisions on the allocation of our resources and assess operational management. Non-IFRS measures have not been subject to audit or review.

## UK GAAP Financial Information

Certain historical financial information for periods prior to FY2005 has been presented on the basis of UK GAAP, which is not comparable to IFRS or US GAAP. Readers are cautioned not to place undue reliance on UK GAAP information.

## No Offer of Securities

Nothing in this presentation 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.

## Reliance on Third Party Information

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# Disclaimer

## Mineral Resources

This presentation includes information on Mineral or Coal Resources. Mineral Resources are compiled by:

P Whitehouse (MAusIMM) – Western Australian Iron Ore (WAIO) and Samarco, S O'Connell (MAusIMM) – Olympic Dam, D L J Dunn (MAusIMM) – Queensland Coal and Illawarra Coal, T J Kilroe (MAusIMM) – Saskatchewan Potash, and R Preece (FAusIMM) – Escondida mineral district, Cerro Colorado, Spence and Antamina. This is based on Mineral Resource information in the BHP Billiton 2011 Annual Report for all assets, except Spence and the Escondida district Mineral Resource. Information for Spence is as at 31 December 2011 as disclosed in the BHP Billiton Exploration and Development Report for the quarter ended 31 December 2011. Mineral Resource information for the Escondida district includes Pampa Escondida and Pinta Verde resources as disclosed in the BHP Billiton 2011 Annual Report and the Escondida and Chimborazo resources as at 31 December 2011 as disclosed in the BHP Billiton News Release dated 14 February 2012. All reports can be found at [www.bhpbilliton.com](http://www.bhpbilliton.com).

All information is reported under the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves, 2004' (the JORC Code) by the above-mentioned persons who are employed by BHP Billiton and have the required qualifications and experience to qualify as Competent Persons for Mineral or Coal Resources under the JORC Code.

The compilers verify that this report is based on and fairly reflects the Mineral Resources information in the supporting documentation and agree with the form and context of the information presented.

Mineral Resource classification (100% basis) for each province, where relevant, are contained in Table 1.

**Table 1**

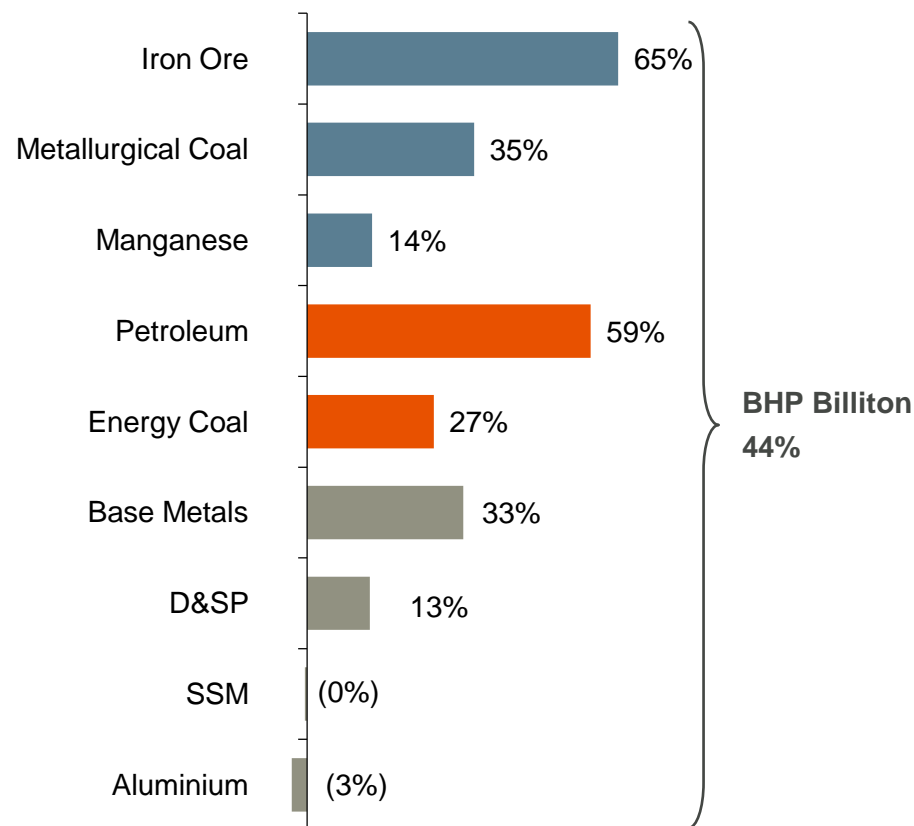
Province	Measured Resource (Mt)	Indicated Resource (Mt)	Inferred Resource (Mt)	BHP Billiton interest
				%
Western Australia Iron Ore	2,210	3,871	13,240	88
Samarco JV	2,200	2,329	1,551	50
Olympic Dam	1,408 @ 1.08% Cu	4,571 @ 0.88% Cu	3,150 @ 0.74% Cu	100
Queensland Coal	2,812	5,293	4,889	55 <sup>1</sup>
Illawarra Coal	297	381	503	100
Potash	–	3,250 @ 25.4% K <sub>2</sub> O	119 @ 26.7% K <sub>2</sub> O	100
Escondida district	4,087 @ 0.72% Cu	4,991 @ 0.57% Cu	12,634 @ 0.47% Cu	57.5
Cerro Colorado	153 @ 0.65% Cu	188 @ 0.66% Cu	83 @ 0.64% Cu	100
Spence	241 @ 0.92% Cu	1,278 @ 0.47% Cu	1,174 @ 0.39% Cu	100
Antamina	188 @ 0.85% Cu	1,018 @ 0.92% Cu	708 @ 0.73% Cu	33.75

1. Interest represents the weighted average of BHP Billiton's 50% ownership in the BHP Billiton Mitsubishi Alliance (BMA) Coal Resource and 80% ownership in the BHP Billiton Mitsui Coal (BMC) Coal Resource.

# Strong and predictable interim financial results

- **Underlying EBITDA** of US\$18.7 billion, up 8%
- **Attributable profit** (excluding exceptional items) of US\$9.9 billion, down 7%
- **Net operating cash flow** of US\$12.3 billion, up 1%
- **Capital and exploration expenditure** of US\$9.6 billion
- **Interim dividend** of 55 US cents per share
- **Gearing** increased to 25% following acquisition of Petrohawk Energy Corporation

## Underlying EBIT margin<sup>1</sup> (H1 FY12, %)



Note: Variance relates to the relative performance of BHP Billiton during the December 2011 half year compared with the December 2010 half year.

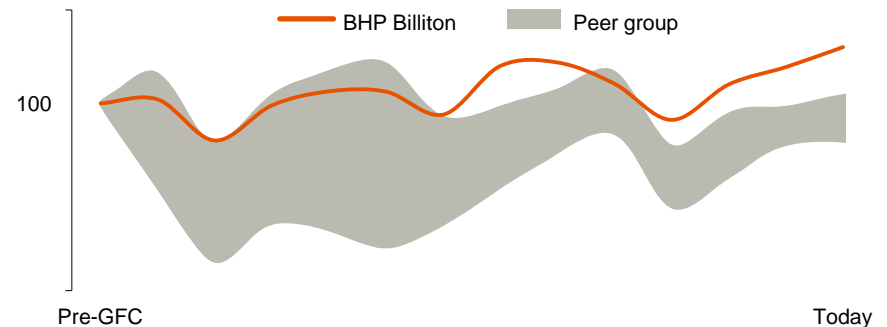
1. Excludes third party trading activities.



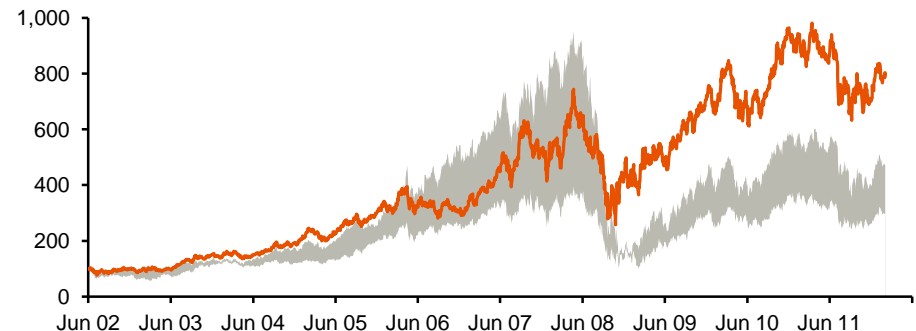
# Delivering superior performance throughout the economic cycle

- Unchanged and proven strategy focused on large, long life, low cost, expandable and upstream assets
- Strong production performance reflects our commitment to invest throughout the economic cycle
- We prioritise investment in businesses that meet all of the criteria defined by our strategy
- Our strategy delivers
  - Strong and stable margins
  - Greater earnings certainty
  - Lower cash flow at risk
  - Superior total shareholder returns

## Diversified peer production comparison<sup>1</sup> (copper equivalent units)



## Total Shareholder Returns<sup>2</sup> (index, rebased to June 2002)

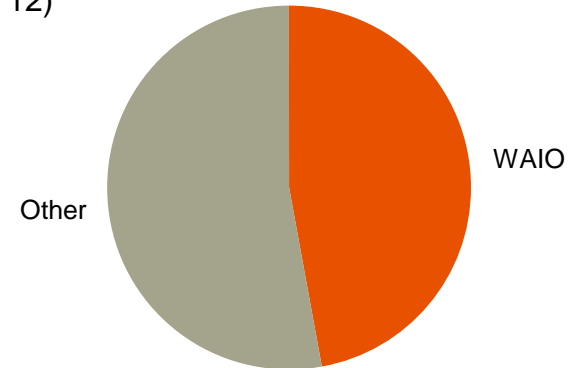


1. Copper equivalent units based on long term consensus price estimates where available. Peer group includes Rio Tinto, Vale, Anglo American and Xstrata.  
Source: Annual Reports, press releases and BHP Billiton analysis.
2. BHP Billiton Plc TSR in local currency. Peer group includes Rio Tinto Plc, Anglo American and Xstrata (i.e. constituents listed on the LSE).  
Source: DataStream.

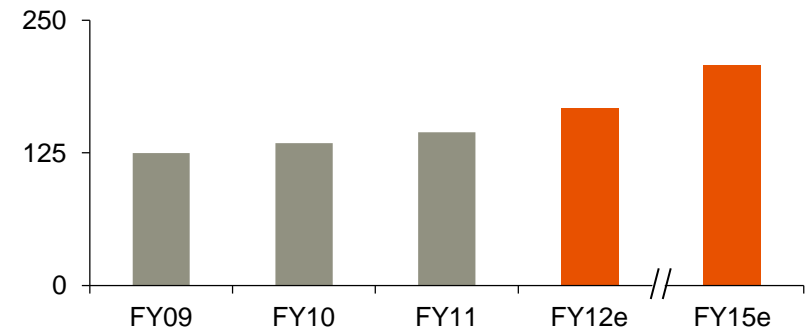
# Strong growth in our Western Australia Iron Ore business

- WAIO annualised production rose to 178 mtpa (100% basis) in the December 2011 quarter
- Prior FY12 production guidance for WAIO of 159 mtpa (100% basis) increased by approximately 5%
- Well placed to achieve a production rate of +200 mtpa (100% basis) at WAIO by the end of CY14 without the need for additional major growth project approvals

**BHP Billiton Underlying EBIT contribution (H1 FY12)**



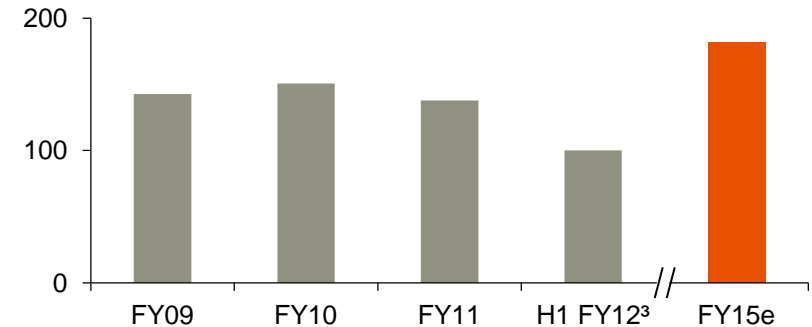
**Targeted growth in WAIO production (mtpa, 100% basis)**



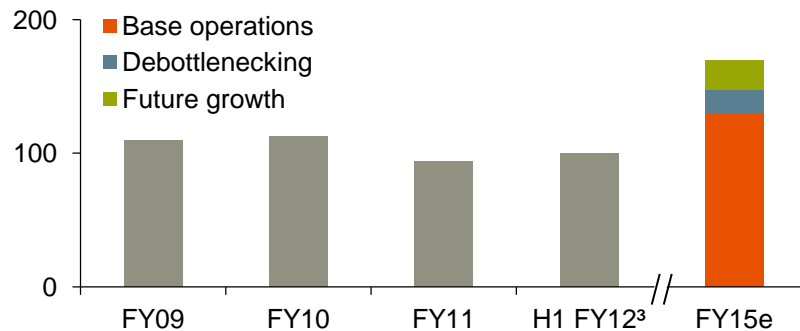
# Substantial low risk volume growth anticipated at key assets

- A substantial increase in copper production at Escondida as operations progress towards higher grade ore in the main pit
- Queensland Coal positioned for strong production growth following the weather related challenges of the last twelve months
- Development drilling at non-operated Gulf of Mexico facilities to deliver an increase in high margin oil production following a recovery from the drilling moratorium

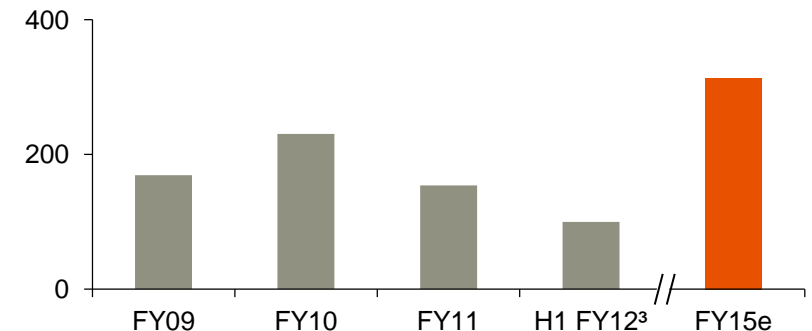
**Escondida production<sup>1</sup>**  
(index annualised H1 FY12, BHP Billiton share)



**Queensland Coal production**  
(index annualised H1 FY12, BHP Billiton share)



**GoM non-operated assets production<sup>2</sup>**  
(index annualised H1 FY12, BHP Billiton share)

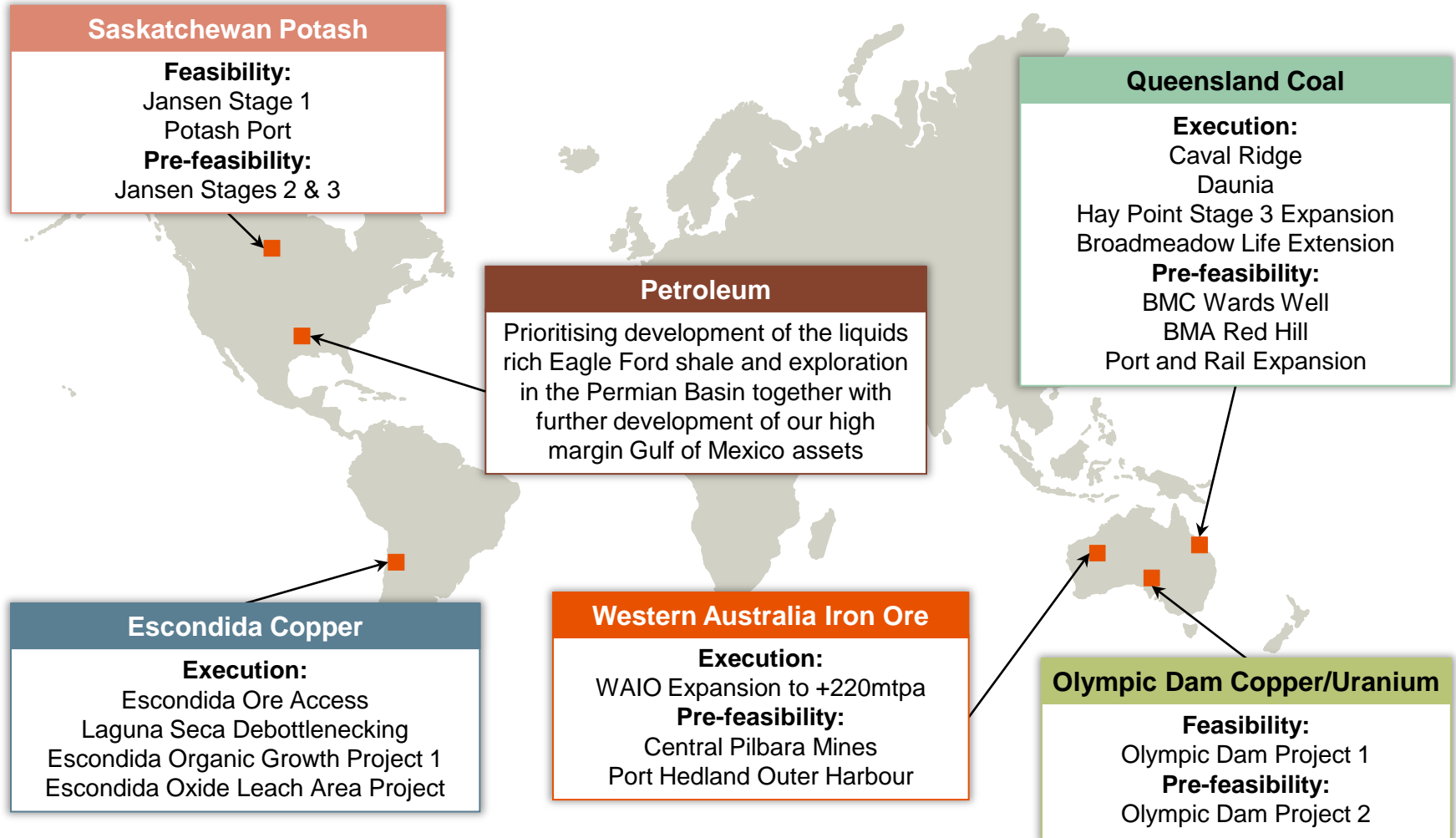


1. Includes volumes related to minor unapproved capital projects.

2. Includes volumes from development drilling.

3. H1 production annualised for FY12, indexed to 100.

# The options and capability to develop large scale, high quality projects



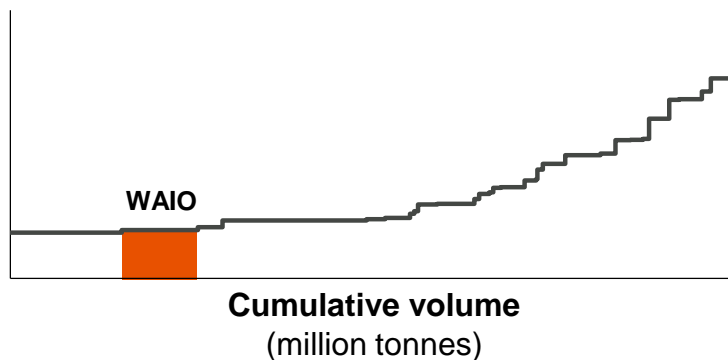
Note: All projects remain under review until such time as they are sanctioned for execution. Reflects recent Escondida project approvals, all other projects as at 8 February 2012.



# A large, low cost iron ore business with significant expansion potential

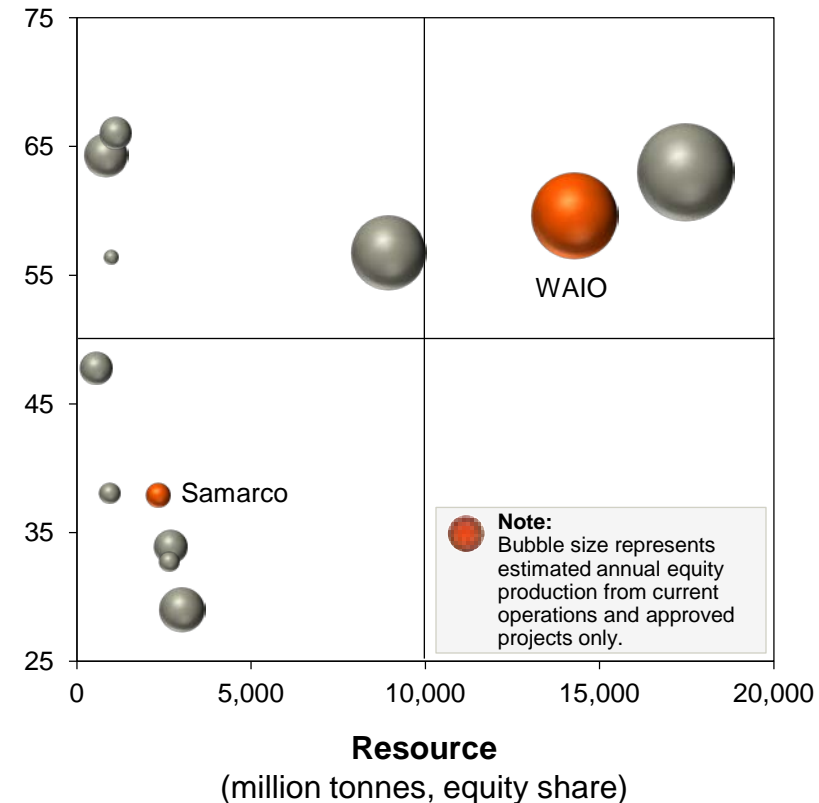
- WAIO US\$779 million (BHP Billiton share) pre-commitment investment for an outer harbour development at Port Hedland
- Targeting Board approval in H2 CY12 with commissioning scheduled for CY16
- Longer term development has the potential to increase WAIO capacity to 450 mtpa (100% basis)

**Iron ore cost curve – fines**  
(US\$ per tonne, CIF China equivalent basis)



Source: Macquarie Research, January 2012.

**Global iron ore deposits<sup>1</sup>**  
(average Fe grade, %)



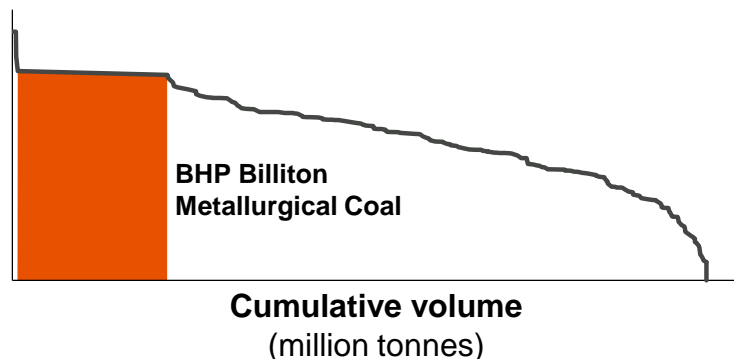
Source: Annual Reports, press releases and BHP Billiton FY11 Annual Report. Refer to disclaimer on slide 3 as presented on 7 March 2012.

1. Based on a selection of iron ore peers that provides a fair representation of the industry. Excludes Vale.

# The leading metallurgical coal business

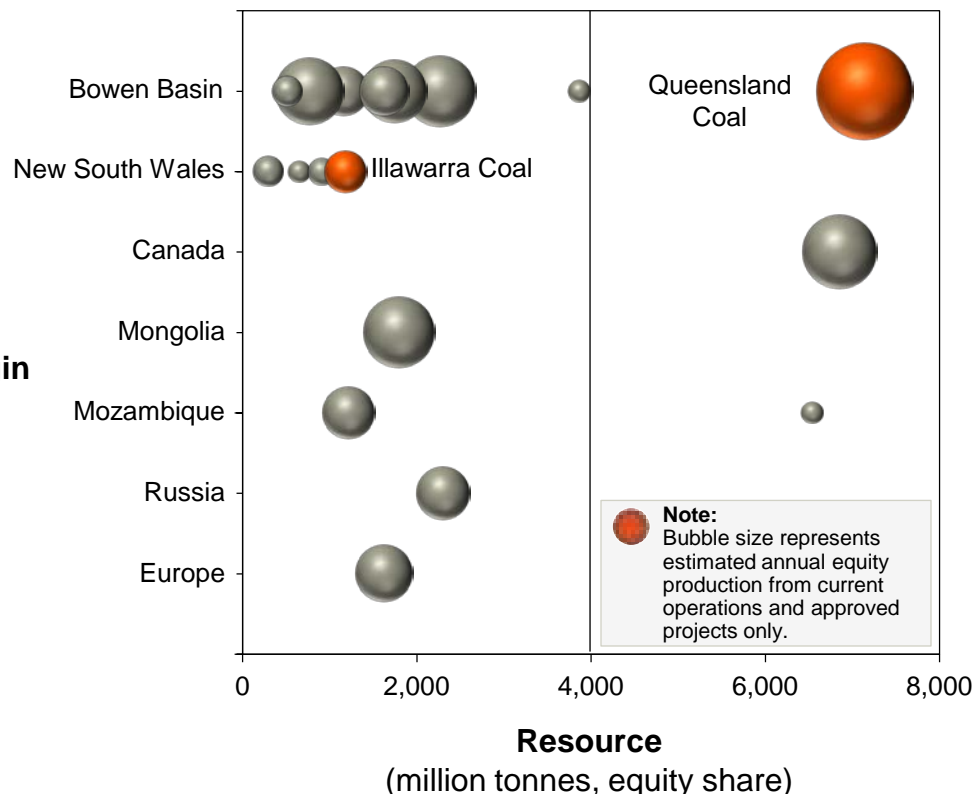
- Leading resource position, premier products and industry leading margins
- Projects in execution total US\$4.9 billion<sup>2</sup>
- Numerous longer term development options
- Preferred developer status for 60 mtpa export terminal at Abbot Point

## Seaborne metallurgical coal producer operating margin (2016, US\$ per tonne FOB)



Source: Wood Mackenzie and BHP Billiton analysis.  
 Note: Based on internal production profile at weighted average Wood Mackenzie operating margin for BHP Billiton Metallurgical Coal assets. Metallurgical coal prices used (real): US\$200/t (HCC), US\$150/t (WCC), US\$90/t (Thermal). Exchange rates relative to the US\$: A\$ 1.20, C\$ 1.04, CNY 5.2, BWP 7.2, R 8, NZ\$ 1.65, RBL 27.5, VND 24,000.  
 2. BHP Billiton share. Includes announced pre-commitment funding for projects in execution.

## Global metallurgical coal deposits<sup>1</sup> (by basin)



Source: Annual Reports, press releases and BHP Billiton FY11 Annual Report. Refer to disclaimer on slide 3 as presented on 7 March 2012.

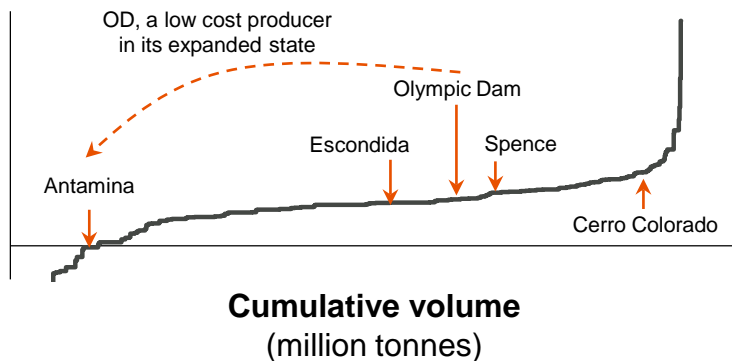
1. Based on a selection of metallurgical coal peers that provides a fair representation of the industry.

# Large and expandable Base Metals assets

- Escondida Organic Growth Project 1 will set the framework for multiple phases of expansion
  - Approved in February 2012 with commissioning scheduled for CY15
- Olympic Dam is a unique resource, an open pit will exploit superior grades for decades to come
  - Targeting Board approval for phase one in CY12

## C1 cash cost

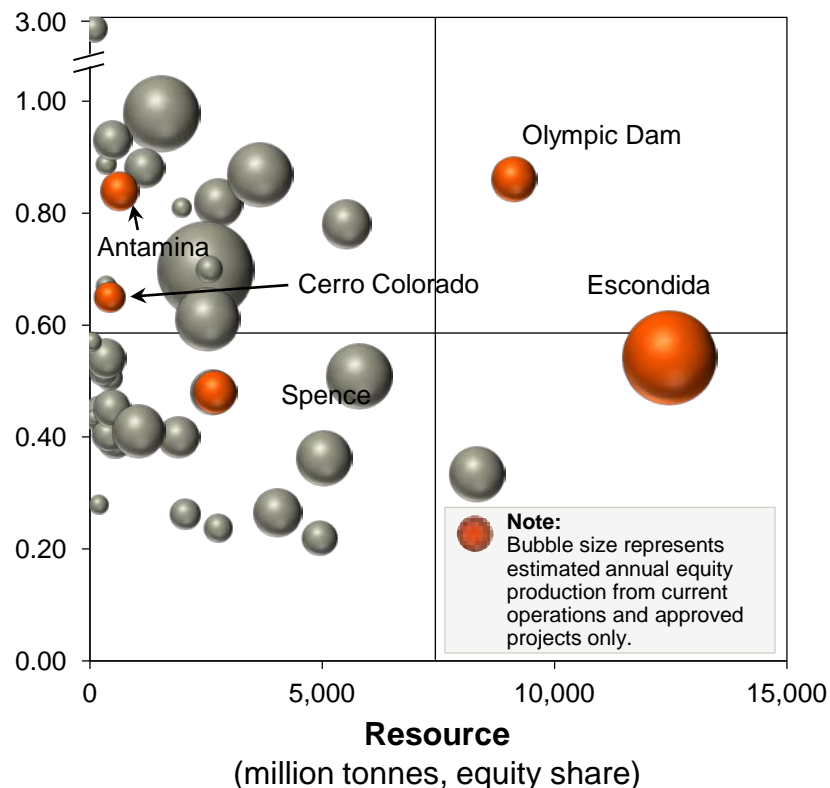
(US cents per pound Cu)



Source: Brook Hunt Q4 2011, 2011 C1 cash cost (normal costing).

## Global copper deposits<sup>1</sup>

(Cu grade excluding by-products<sup>1</sup>, %)



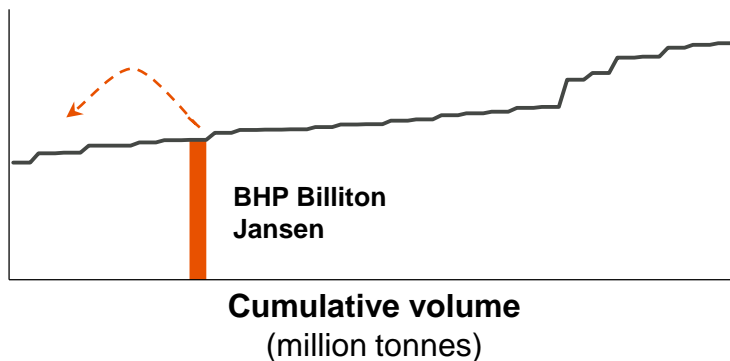
Source: Annual Reports, press releases, BHP Billiton FY11 Annual Report, BHP Billiton Exploration and Development Report for the quarter ended 31 December 2011 and BHP Billiton News Release dated 14 February 2012. Refer to disclaimer on slide 3 as presented on 7 March 2012.

1. Based on a selection of copper peers that provides a fair representation of the industry. Grades not inclusive of by-product credits which can be significant, particularly in the case of poly-metallic resources such as Olympic Dam.

# Developing a world class presence in potash

- Three billion tonne resource delineated at Jansen<sup>1</sup>
- US\$1.2 billion committed to date with ground freezing and shaft sinking programs underway
- Targeting Board approval for the first phase in CY12
- Planned capacity of 8 mtpa with longer term potential to expand potash production to 16 mtpa

**Export cost curve**  
(2020, US\$ per tonne FOB)



Source: CRU and BHP Billiton analysis.

1. BHP Billiton FY11 Annual Report. Refer to disclaimer on slide 3 as presented on 7 March 2012.

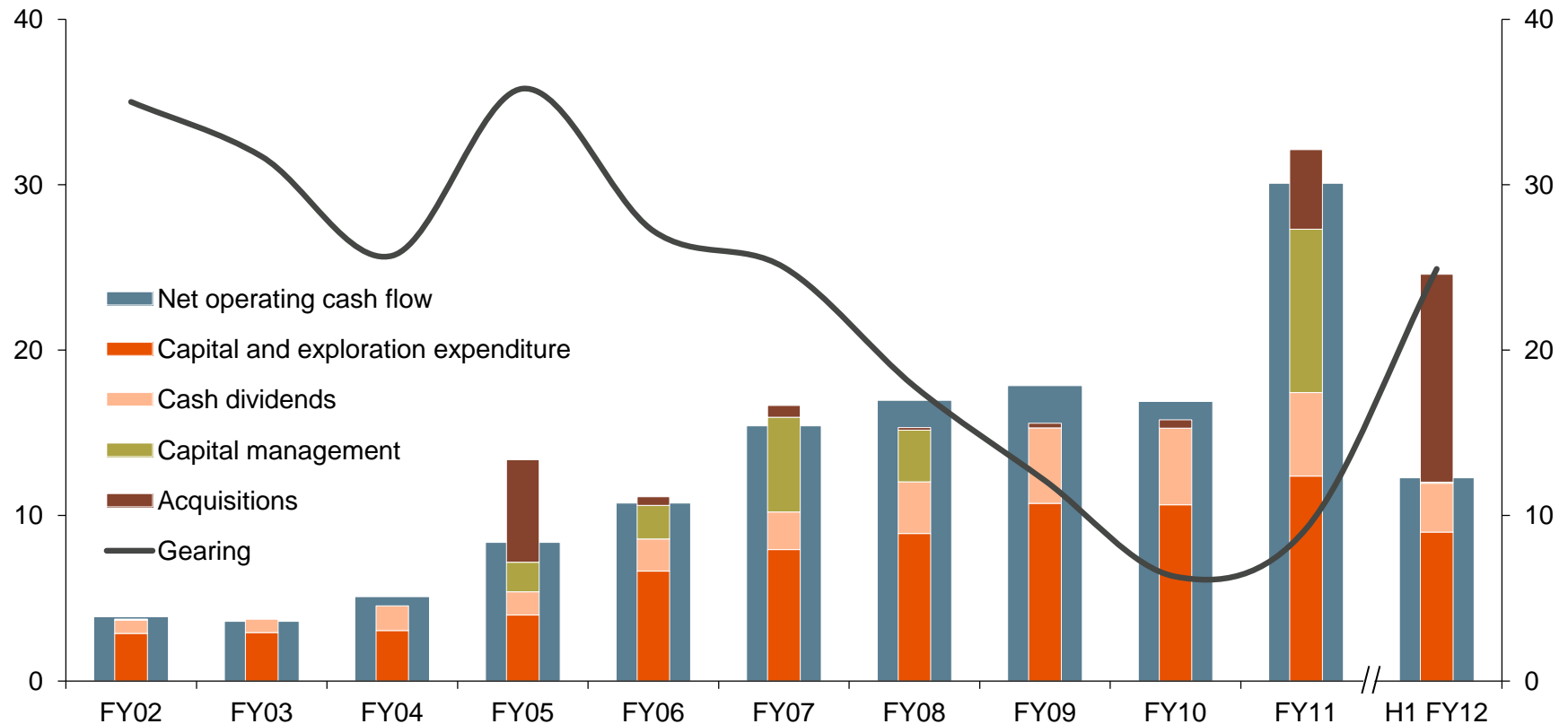
# Prioritising development of the liquids rich Eagle Ford shale

- Completed the acquisition of Petrohawk Energy Corporation
- Successful combination of high quality Onshore US assets into the BHP Billiton portfolio
- Large 7.6 billion barrels of oil equivalent Onshore US resource enables us to plan for the very long term
- Increasing focus on the high return, liquids rich Eagle Ford shale and Permian Basin
- Targeting 20% liquids contribution by FY15
- Selectively developing the most productive areas in our dry gas fields



# We will live within our means as we progress our growth options

Sources and uses of cash<sup>1</sup>  
(US\$ billion)

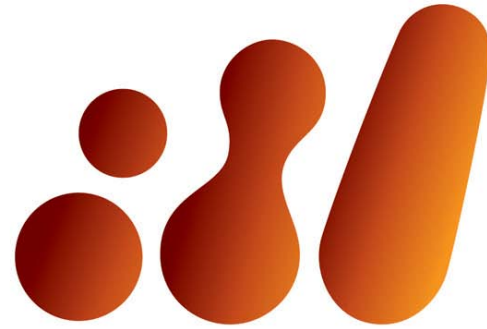


1. Calculated on the basis of UK GAAP for periods prior to FY05. Cash flow reflects proportional consolidation of joint ventures for FY07 and future periods. Exploration expenditure incurred which has not been capitalised has been re-classified to net operating cash flow for FY06 and future periods.



# Consistent execution of a well defined strategy

- Strong and predictable financial results
- Substantial, low risk volume growth is anticipated at key assets in the short to medium term
- We will live within our means as we look to exercise our world class portfolio of growth options



**bhpbilliton**

resourcing the future