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BHP Billiton Plc – Economic Contribution Report 2018

Introduction

Our Economic Contribution Report (“Report”) for the year ended 30 June 2018 was released today.

BHP has a long-standing commitment to transparency. We believe it enhances understanding, builds trust and holds us and others to account.

We’ve disclosed details of our tax and royalty payments for more than 18 years and during that time we have continually updated and expanded our disclosures. As in prior years, the Report discloses our total direct economic contribution, including the taxes and royalties we paid on a country-by-country and project-by-project basis. We also disclose additional voluntary information, such as details of each of our subsidiary entities in ‘tax haven’ countries and tax incentives we have been granted by some of our host governments.

The Report complies with a number of different transparency regimes. The information on our payments to governments is set out in accordance with the UK Regulations, which implement the EU Accounting Directive. By issuing the Report, we comply with the Australian Voluntary Tax Transparency Code. Beyond these requirements, this year, we disclose for the first time our profit, number of employees and effective tax rates in the key countries in which we operate.

The full Report in PDF and in XML format have today been submitted to the National Storage Mechanism and will shortly be available for inspection at: www.morningstar.co.uk/uk/NSM.

They are also available to be downloaded on the BHP website at:

PDF: <https://www.bhp.com/investor-centre/-/media/documents/investors/annual-reports/2018/bhpeconomiccontributionreport2018.pdf>

XML format: <https://www.bhp.com/investor-centre/-/media/documents/investors/annual-reports/2018/bhpeconomiccontributionreport2018.xml>

We are proud of the value we generate and how this contributes to building trust with the communities in which we operate. The economic contribution we make is an important part of this. Our total direct economic contribution for FY2018 was US\$33.9 billion. This included payments to

suppliers, wages and benefits for our more than 62,000 employees and contractors, dividends, taxes and royalties, and US\$77.1 million voluntarily invested in social projects across our host communities.

In FY2018, our tax, royalty and other payments to governments totalled US\$7.8 billion. Our global adjusted effective tax rate was 31.4 per cent. Once royalties are included, our rate increases to 39.9 per cent.

Below are extracted sections of our full Economic Contribution Report 2018 that together meet the UK Regulations.

Our payments to governments

BHP has prepared this information in accordance with the UK Regulations. Our Report addresses BHP's reporting obligations under DTR 4.3A of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules. The 'Basis of preparation' and 'Glossary' contain information about the content of the Report and form part of the Report.

Payments made by country and level of government

The information on taxes paid by classification and country presented below has been prepared on the basis set out in the 'Basis of report preparation' section of the Report.

US\$ millions	Corporate income taxes	Royalty-related income taxes	Taxes levied on production	Total taxes paid	Royalties	Production entitlements	Fees	Payments for infrastructure improvements	Signature, discovery and production bonuses	Total payments as defined by the UK Regulations	Other payments	Total payments to governments
Total payments to governments	4,245.2	551.2	130.1	4,926.4	2,279.5	180.4	90.6	0.7	5.3	7,482.9	286.2	7,769.1
Algeria (1)	-	-	-	-	-	128.8	-	-	-	128.8	-	128.8
DIRECTORATE-GENERAL OF TAXES	-	-	-	-	-	128.8	-	-	-	128.8	-	128.8
Australia	3,158.0	488.2	43.8	3,690.0	2,067.4	-	20.0	-	-	5,777.3	234.1	6,011.4
AUSTRALIAN TAXATION OFFICE	3,158.0	488.2	43.8	3,690.0	125.6	-	1.0	-	-	3,816.7	45.2	3,861.9
CENTRAL HIGHLANDS REGIONAL COUNCIL	-	-	-	-	-	-	-	-	-	-	2.7	2.7
CITY OF KALGOORLIE-BOULDER	-	-	-	-	-	-	-	-	-	-	0.1	0.1
CITY OF ROCKINGHAM	-	-	-	-	-	-	-	-	-	-	0.1	0.1
ISAAC REGIONAL COUNCIL (QUEENSLAND)	-	-	-	-	-	-	-	-	-	-	9.5	9.6
MACKAY REGIONAL COUNCIL (QUEENSLAND)	-	-	-	-	-	-	-	-	-	-	0.6	0.6
SHIRE OF ASHBURTON (WESTERN AUSTRALIA)	-	-	-	-	-	-	-	-	-	-	0.4	0.4
SHIRE OF EAST PILBARA (WESTERN AUSTRALIA)	-	-	-	-	-	-	-	-	-	-	3.8	3.8
SHIRE OF LEONARA (WESTERN AUSTRALIA)	-	-	-	-	-	-	-	-	-	-	0.7	0.7
SHIRE OF MUSWELLBROOK (NEW SOUTH WALES)	-	-	-	-	-	-	-	-	-	-	1.1	1.1
SHIRE OF WILUNA (WESTERN AUSTRALIA)	-	-	-	-	-	-	-	-	-	-	0.9	0.9
STATE OF NEW SOUTH WALES	-	-	-	-	107.5	-	1.1	-	-	108.5	8.7	117.2
STATE OF QUEENSLAND	-	-	-	-	699.4	-	5.2	-	-	704.6	47.2	751.8

STATE OF SOUTH AUSTRALIA	-	-	-	-	46.1	-	1.3	-	-	47.4	13.4	60.8
STATE OF VICTORIA	-	-	-	-	-	-	-	-	-	-	9.0	9.0
STATE OF WESTERN AUSTRALIA	-	-	-	-	1,088.7	-	10.6	-	-	1,099.3	87.3	1,186.6
TOWN OF PORT HEDLAND (WESTERN AUSTRALIA)	-	-	-	-	-	-	0.7	-	-	0.7	3.1	3.9
OTHER AUSTRALIAN GOVERNMENTS	-	-	-	-	-	-	-	-	-	-	0.2	0.2
Brazil	50.3	-	-	50.3	-	-	-	-	-	50.4	11.4	61.8
FEDERAL TAX REVENUE MINISTRY	50.3	-	-	50.3	-	-	-	-	-	50.4	11.4	61.8
Canada	47.7	-	-	47.7	-	-	8.8	0.7	-	57.2	4.4	61.6
CANADA REVENUE AGENCY	43.4	-	-	43.4	-	-	0.5	-	-	43.9	0.9	44.7
FINANCES QUEBEC	4.3	-	-	4.3	-	-	-	0.2	-	4.5	-	4.5
GOVERNMENT OF SASKATCHEWAN	-	-	-	-	-	-	8.2	-	-	8.2	0.2	8.4
MINISTRY OF FINANCE - ONTARIO	-	-	-	-	-	-	-	-	-	-	-	0.1
RURAL MUNICIPALITY OF LEROY (SASKATCHEWAN)	-	-	-	-	-	-	-	0.4	-	0.4	3.1	3.5
RURAL MUNICIPALITY OF PRAIRIE ROSE (SASKATCHEWAN)	-	-	-	-	-	-	-	0.1	-	0.1	0.1	0.2
OTHER CANADIAN GOVERNMENTS	-	-	-	-	-	-	-	-	-	-	0.1	0.1
Chile (2)	974.3	63.0	-	1,037.3	-	-	14.7	-	-	1,052.0	11.8	1,063.9
SERVICIO DE IMPUESTOS INTERNOS	974.3	63.0	-	1,037.3	-	-	14.7	-	-	1,052.0	11.8	1,063.9
China	1.8	-	-	1.8	-	-	-	-	-	1.8	-	1.8
CHINA TAX BUREAU	1.8	-	-	1.8	-	-	-	-	-	1.8	-	1.8
India	0.4	-	-	0.4	-	-	-	-	-	0.4	-	0.4
INCOME TAX DEPARTMENT	0.4	-	-	0.4	-	-	-	-	-	0.4	-	0.4
Indonesia	0.1	-	-	0.1	-	-	-	-	-	0.1	-	0.1
DIRECTORATE GENERAL OF TAXES	0.1	-	-	0.1	-	-	-	-	-	0.1	-	0.1
Japan	0.4	-	-	0.4	-	-	-	-	-	0.4	-	0.4
NATIONAL TAX AGENCY	0.4	-	-	0.4	-	-	-	-	-	0.4	-	0.4
Mexico	0.9	-	-	0.9	-	-	2.5	-	-	3.3	0.1	3.4
MEXICAN FEDERAL TAX ADMINISTRATION	0.9	-	-	0.9	-	-	2.5	-	-	3.3	0.1	3.4
Peru	32.4	-	-	32.4	-	-	-	-	-	32.4	-	32.4
THE NATIONAL SUPERINTENDENCY OF CUSTOMS AND TAX ADMINISTRATION	32.4	-	-	32.4	-	-	-	-	-	32.4	-	32.4

Singapore	(0.9)	-	-	(0.9)	-	-	-	-	-	(0.9)	-	(0.9)
INLAND REVENUE AUTHORITY OF SINGAPORE	(0.9)	-	-	(0.9)	-	-	-	-	-	(0.9)	-	(0.9)
South Africa	(0.3)	-	-	(0.3)	-	-	-	-	-	(0.3)	-	(0.3)
SOUTH AFRICAN REVENUE SERVICE	(0.3)	-	-	(0.3)	-	-	-	-	-	(0.3)	-	(0.3)
Switzerland	1.1	-	-	1.1	-	-	-	-	-	1.1	-	1.1
CANTON OF ZUG	1.1	-	-	1.1	-	-	-	-	-	1.1	-	1.1
Trinidad and Tobago (3)	0.8	-	-	0.8	-	51.6	20.6	-	-	73.0	-	73.0
BOARD OF INLAND REVENUE	0.8	-	-	0.8	-	51.6	20.6	-	-	73.0	-	73.0
United Kingdom	24.8	-	-	24.8	-	-	-	-	-	24.8	1.7	26.5
CITY OF WESTMINSTER	-	-	-	-	-	-	-	-	-	-	1.2	1.2
HER MAJESTY'S REVENUE & CUSTOMS	24.8	-	-	24.8	-	-	-	-	-	24.8	0.5	25.3
United States	(11.3)	-	-	(11.3)	169.0	-	16.8	-	5.3	179.7	3.2	182.9
ARIZONA DEPARTMENT OF REVENUE	-	-	-	-	-	-	0.7	-	-	0.7	0.4	1.1
ARIZONA STATE LAND DEPARTMENT	-	-	-	-	-	-	0.5	-	-	0.5	-	0.5
CALIFORNIA FRANCHISE TAX BOARD	-	-	-	-	-	-	-	-	-	-	-	0.1
INTERNAL REVENUE SERVICE	-	-	-	-	-	-	0.2	-	-	0.2	-	0.2
TEXAS COMPTROLLER	-	-	-	-	-	-	-	-	-	-	2.3	2.3
U.S. NUCLEAR REGULATORY COMMISSION	-	-	-	-	-	-	0.2	-	-	0.2	-	0.2
US DEPARTMENT OF THE INTERIOR	-	-	-	-	169.0	-	14.7	-	5.3	189.0	-	189.0
US DEPARTMENT OF THE TREASURY	(11.4)	-	-	(11.4)	-	-	-	-	-	(11.4)	0.4	(11.0)
UTAH TAX COMMISSION	-	-	-	-	-	-	0.1	-	-	0.1	-	0.1
WASHINGTON DEPARTMENT OF REVENUE	-	-	-	-	-	-	0.3	-	-	0.3	-	0.3
United States (Discontinued Operations)	(35.3)	-	86.3	51.0	43.1	-	7.2	-	-	101.3	19.4	120.8
ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION	-	-	6.6	6.6	-	-	-	-	-	6.6	2.9	9.5
COMMISSIONER FOR THE TEXAS GENERAL LAND OFFICE	-	-	-	-	40.0	-	6.3	-	-	46.3	-	46.3
DEPARTMENT OF NATURAL RESOURCES (LOUISIANA)	-	-	-	-	2.5	-	0.3	-	-	2.8	-	2.8
LOUISIANA DEPARTMENT OF REVENUE	-	-	15.4	15.4	-	-	0.2	-	-	15.6	6.8	22.4
RAILROAD COMMISSION OF TEXAS	-	-	0.2	0.2	-	-	0.1	-	-	0.3	-	0.3
TEXAS COMPTROLLER	-	-	64.1	64.1	-	-	0.3	-	-	64.4	9.7	74.1
US DEPARTMENT OF THE INTERIOR	-	-	-	-	0.5	-	-	-	-	0.6	-	0.6
US DEPARTMENT OF THE TREASURY	(35.3)	-	-	(35.3)	-	-	-	-	-	(35.3)	-	(35.2)

Figures are rounded to the nearest decimal point.

(1) Production entitlements of 1.9 million barrels of oil equivalent (boe) paid in-kind

(2) Income and mining taxes are paid in Chile on a calendar year basis. However, for the purpose of this Report, taxes paid are included for BHP's financial year (1 July 2017 to 30 June 2018). For reference, income tax and specific tax on mining activities paid by Escondida and Pampa Norte for CY2017 amount to US\$340 million and US\$195 million respectively.

(3) Production entitlements of 2.6 million boe paid in-kind.

Payments made on a project-by-project basis

Taxes paid by classification and project are presented in this section and have been prepared on the basis set out in the 'Basis of report preparation' section of the Report.

US\$ millions	Corporate income taxes	Royalty-related income taxes	Taxes levied on production	Total taxes paid	Royalties	Production entitlements	Fees	Payments for infrastructure improvements	Signature, discovery and production bonuses	Total payments as defined by the UK Regulations	Other payments	Total payments to governments
Total payments to governments	4,245.2	551.2	130.1	4,926.5	2,279.5	180.4	90.6	0.7	5.3	7,482.9	286.2	7,769.1
Petroleum	375.7	488.2	43.8	907.6	294.6	180.4	40.7	0.2	5.3	1,428.8	21.0	1,449.8
Algeria Joint Interest Unit ⁽¹⁾	(2.4)	-	-	(2.4)	-	128.8	-	-	-	126.4	-	126.4
Australia Production Unit - Victoria	5.2	26.1	-	31.3	-	-	-	-	-	31.3	0.2	31.5
Australia Production Unit - Western Australia	(22.7)	152.8	-	130.1	-	-	1.7	-	-	131.9	3.5	135.4
Bass Strait	109.8	309.2	-	419.0	-	-	-	-	-	419.0	13.4	432.4
Closed Mines	31.1	-	-	31.1	-	-	1.1	0.2	-	32.3	0.7	33.0
Gulf of Mexico	(18.8)	-	-	(18.8)	169.0	-	14.7	-	5.3	170.1	2.7	172.8
Head Office - BHP Billiton Brasil Investimentos Ltda	-	-	-	-	-	-	-	-	-	-	0.2	0.2
Head Office - BHP Billiton Petroleum International Pty Ltd	4.8	-	-	4.8	-	-	-	-	-	4.8	-	4.8
North West Shelf	253.8	-	43.8	297.6	125.6	-	0.1	-	-	423.3	-	423.3
Trinidad and Tobago Production Unit ⁽²⁾	0.8	-	-	0.8	-	51.6	20.6	-	-	73.0	-	73.0
UK Production Unit	12.9	-	-	12.9	-	-	-	-	-	12.9	-	12.9
Other	1.3	-	-	1.3	-	-	2.5	-	-	3.7	0.4	4.1
Minerals Australia	3,008.8	-	-	3,008.8	1,941.8	-	18.1	-	-	4,968.7	206.4	5,175.2
Exploration - Minerals Australia	0.7	-	-	0.7	-	-	-	-	-	0.7	-	0.7
Head Office - BHP Billiton MetCoal Holdings Pty Ltd	10.2	-	-	10.2	-	-	-	-	-	10.2	3.7	13.8

IndoMet	0.1	-	-	0.1	-	-	-	-	-	0.1	-	0.1
New South Wales Energy Coal	-	-	-	-	107.5	-	1.1	-	-	108.5	13.0	121.5
Nickel West	24.2	-	-	24.2	21.4	-	2.4	-	-	48.1	13.0	61.1
Olympic Dam	12.8	-	-	12.8	46.1	-	2.1	-	-	61.0	15.0	76.0
Queensland Coal ⁽³⁾	899.8	-	-	899.8	699.4	-	5.2	-	-	1,604.5	74.3	1,678.8
Western Australia Iron Ore	2,060.9	-	-	2,060.9	1,067.4	-	7.4	-	-	3,135.6	87.4	3,223.1
Minerals Americas	1,068.8	63.0	-	1,131.8	-	-	24.6	0.5	-	1,156.9	27.0	1,183.9
Escondida	739.2	63.0	-	802.3	-	-	9.1	-	-	811.4	8.9	820.3
Exploration - Minerals Americas	3.1	-	-	3.1	-	-	5.1	-	-	8.2	0.7	8.8
Head Office - BHP Billiton Brasil Ltda	51.5	-	-	51.5	-	-	-	-	-	51.6	10.9	62.5
Head Office - RAL Cayman Inc	32.4	-	-	32.4	-	-	-	-	-	32.4	-	32.4
Pampa Norte	242.5	-	-	242.5	-	-	1.8	-	-	244.3	2.3	246.6
Potash	-	-	-	-	-	-	8.6	0.5	-	9.0	4.2	13.3
Group & Unallocated	(172.8)	-	-	(172.8)	-	-	-	-	-	(172.8)	12.2	(160.6)
Corporate	(175.5)	-	-	(175.5)	-	-	-	-	-	(175.5)	12.2	(163.3)
Marketing	2.7	-	-	2.7	-	-	-	-	-	2.7	-	2.7
Discontinued Operations	(35.3)	-	86.3	51.0	43.1	-	7.2	-	-	101.3	19.4	120.8
North America Shale (Fayetteville)	-	-	6.6	6.6	0.4	-	-	-	-	7.0	2.9	9.9
North America Shale (Haynesville)	(35.3)	-	79.5	44.2	42.7	-	7.0	-	-	93.9	13.2	107.1
North America Shale (Permian Basin, Eagle Ford)	-	-	0.2	0.2	-	-	0.2	-	-	0.4	3.3	3.7

Figures are rounded to the nearest decimal point.

(1) Production entitlements of 1.9 million boe paid in-kind.

(2) Production entitlements of 2.6 million boe paid in-kind.

(3) Royalties, fees and other payments made by BHP Billiton Mitsubishi Alliance Coal Operations Pty Ltd have been included in total payments to the extent of BHP's ownership of the operating entity, being 50 per cent.

Basis of report preparation

We have prepared the Report in accordance with the UK Regulations.

Taxes, royalties and other payments to governments are presented in the Report on a cash paid and cash received basis for the year ended 30 June 2018.

This Report includes all such amounts paid and received by BHP in respect of each of our operations, including the Onshore US assets, whose sale by BHP was announced on 27 July 2018. For our controlled assets, amounts included in our total payments to governments are 100 per cent of the assets' payments to governments. For our non-operated and operated joint ventures, amounts included in our payments to governments are 100 per cent of the amounts paid by BHP and, in the case of BHP Billiton Mitsubishi Alliance (BMA), 50 per cent of payments made by the operating entity for BMA in which BHP has a 50 per cent ownership. For our investments in joint ventures and associates that are equity accounted by BHP, no amounts have been included in our total payments to governments as BHP is not the operator and does not make payments on behalf of the operation. For information purposes, 100 per cent of the payments made by our significant equity accounted investments have been shown on page 4 even though no amounts have been included in our total payments to governments.

Taxes, royalties and other payments, both cash and in-kind (non-cash), to governments, net of refunds, are collectively referred to in this Report as 'Total payments to governments' and include the following payment categories:

Corporate income taxes

Payments to governments based on taxable profits under legislated income tax rules. This also includes payments made to revenue authorities in respect of disputed claims and withholding taxes on dividends and royalties.

Royalty-related income taxes

Payments to governments in relation to profits from the extraction of natural resources, including Petroleum Resource Rent Tax (PRRT) in Australia and Specific Tax on Mining Activities (STMA) in Chile. Royalty-related income taxes are presented as income tax in section 5.1.1 Consolidated Income Statement in the Annual Report 2018.

Taxes levied on production

Payments to governments in relation to crude excise, carbon tax and severance tax on the extraction of natural resources. Taxes levied on production are presented as expenses, not income tax, in section 5.1.1 Consolidated Income Statement in the Annual Report 2018.

Royalties

Payments to governments in relation to revenue or production generated under licence agreements. This also includes payments to revenue authorities in respect of disputed claims. Royalties are presented as expenses, not income tax, in section 5.1.1 Consolidated Income Statement in the Annual Report 2018. Royalty-related income taxes are excluded from Royalties.

Production entitlements

Payments to governments entitled to a share of production under production sharing agreements. Production entitlements are most often paid in-kind. In-kind payments are measured based on the market value of the commodity on the date of delivery to the government.

Fees

Payments to governments in the form of fees typically levied on the initial or ongoing right to use a geographical area for exploration, development and/or production. Includes licence fees, rental fees, entry fees and other payments for licences and/or concessions.

Payments for infrastructure improvements

Payments to governments for the construction of public infrastructure such as roads, bridges and port facilities.

Dividend payments

Payments to governments with ownership interests in specific assets; not payments to governments as holders of ordinary shares in BHP. There were no dividend payments to governments for the year ended 30 June 2018.

Signature, discovery or production bonuses

Payments to governments upon signing an oil and gas lease, when discovering natural resources, and/or when production has commenced. There were no payments of signature, discovery or production bonuses to governments for the year ended 30 June 2018.

Other payments

Payments to governments under other legislated tax rules such as payroll tax, fringe benefits tax, excise duties, property tax, land tax and black lung tax. These payments are not specifically required to be disclosed by the UK Regulations..

Excluded amounts

The following are not included in total payments to governments:

Taxes collected

Tax payments made to governments on behalf of our employees.

Indirect taxes

Tax payments made to, or received from, governments in the nature of Sales Tax, Value Added Tax and Goods and Services Tax.

Penalties and interest

Payments to governments resulting from the imposition of penalties, fees or interest.

Other

Certain payments, whether made as a single payment or as a series of related payments below US\$100,000 (being a lower amount than the £86,000 threshold set out in the UK Regulations).

Projects

Payments made on a project-by-project basis ('Payments made on a project-by-project basis' section of the Report) present payments by entity when not specifically attributable to a project.

Payments in relation to Corporate Head Office and Marketing Offices have been included in the total payments to governments as defined by the UK Regulations. The payments are not attributable to specific projects. Corporate Head Office and Marketing Offices comprise functional support for the

Group that in FY2017 consists entirely of projects that undertake relevant activities as defined by the UK Regulations.

The 'Payments made on a project-by-project basis' section presents corporate income tax amounts for each project/entity taking into account the effects of tax consolidation in Australia. These include the following:

- Losses from one entity can be offset against taxable income of another entity within the same tax consolidated group.

- Only the head entity of a tax consolidated group is liable to make corporate income tax payments to the Australian Tax Office (ATO).

- Typically, corporate tax groups allocate the aggregate corporate income tax payments made by the head entity to the ATO amongst entities within the Australian tax consolidated group.

Reporting Currency

All payments to governments on pages 18 to 23 have been reported in US dollars. Payments denominated in currencies other than US dollars are translated for this Report at the exchange rate at the date of the payment.

Discontinued operations

Following BHP's sale of the Onshore US assets announced on 27 July 2018, the contribution of these assets to the Group's results is presented in this Report as Discontinued operations (refer to Section 5 in the Annual Report 2018 for further information on the accounting treatment). To enable more meaningful comparisons with prior year disclosures, and to comply with applicable statutory requirements, this Report includes data from Continuing and Discontinued operations. See 'Glossary' for definitions of reported data.

Glossary

Adjusted effective tax rate

Total taxation expense for our Continuing operations excluding exceptional items and exchange movements included in taxation expense divided by Profit before taxation and exceptional items.

Adjusted effective tax and royalty rate

Total taxation expense for our Continuing operations excluding exceptional items and exchange movements included in taxation expense plus royalty expense divided by Profit before taxation, royalties and exceptional items.

BHP or the Group

BHP Billiton Limited and BHP Billiton Plc and their respective subsidiaries.

Current tax expense

The amount of corporate income tax and royalty-related income tax and production entitlements for our Continuing operations currently payable and attributable to the year, measured at rates enacted or substantively enacted at year-end, together with any adjustment to those taxes payable in respect of previous years.

Deferred tax expense

The amount of corporate income tax and royalty-related income tax and production entitlements for our Continuing operations attributable to the current year but payable in future years provided using the balance sheet liability method.

Employees and contractors

The weighted average number of employees and contractors across the Group is calculated from the actual number of employees on the last day of the month over the 10-month period from July 2017 to April 2018 at each BHP controlled site. It includes the Executive Director, 100 per cent of employees of subsidiary companies and our share of proportionate consolidated entities. Employees of equity accounted entities are not included. Part-time employees are included on a full-time equivalent basis. Employees of businesses acquired or disposed of during the year are included for the period of ownership.

Government

Any national, regional or local authority of a country (includes a department, agency or undertaking that is a subsidiary undertaking where the authority is the parent undertaking).

Income tax expense

The total of current tax expense and deferred tax expense for our Continuing operations.

Low-tax jurisdictions

In classifying which countries are 'low-tax jurisdictions', we have applied the list issued in December 2017 by the European Union titled 'The EU list of non-cooperative jurisdictions for tax purposes', subsequently updated as at 30 June 2018.

Payments to shareholders, lenders and investors

Geographical distribution is based on the registered address of shareholders (for dividends), and country of incorporation of the borrower for interest payments and loan repayments.

Profit before taxation

Profit before taxation when presented by country is adjusted for intercompany dividends.

Project

Consistent with the UK Regulations, a project is defined as the operational activities that are governed by a single contract, licence, lease, concession or similar legal agreements and form the basis for payment liabilities with a government. If multiple such agreements are 'substantially interconnected' they may be considered a project. For these purposes 'substantially interconnected' means forming a set of operationally and geographically integrated contracts, licences, leases or concessions or related agreements with substantially similar terms that are signed with a government, giving rise to payment liabilities.

Report

The Report has been prepared for BHP's financial year from 1 July 2017 to 30 June 2018.

Social investment

Includes community contributions and associated administrative costs (including costs borne by BHP to facilitate the operation of the BHP Billiton Foundation), and BHP's equity share in community contributions for both operated and non-operated joint ventures.

UK Regulations

The Reports to Payments to Governments Regulations 2014, as amended by the Reports on Payments to Governments (Amendment) Regulations 2015. The UK Regulations implement the EU Accounting Directive (Chapter 10, Directive 2013/34/EU) in the United Kingdom.

BHP Billiton Plc Registration number 3196209

Registered in England and Wales

Registered Office: Nova South, 160 Victoria Street, London SW1E 5LB United Kingdom

A member of the BHP Group which is headquartered in Australia