Financial results
Half year ended
31 December 2016
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Unless specified otherwise: variance analysis relates to the relative performance of BHP Billiton and/or its operations during December 2016 half year compared with the December 2015 half year; on slide 17 the reference to recent years refers to the 2013 financial year onwards; references to Underlying EBITDA margin exclude third party trading activities; data from subsidiaries are shown on a 100 per cent basis and data from equity accounted investments and other operations is presented, with the exception of net operating assets, reflecting BHP Billiton's share. Queensland Coal comprises the BHP Billiton Mitsubishi Alliance (BMA) asset, jointly operated with Mitsubishi, and the BHP Billiton Mitsui Coal (BMC) asset, operated by BHP Billiton. Numbers presented may not add up precisely to the totals provided due to rounding.

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Financial results
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Financial results
Half year ended 31 December 2016

Andrew Mackenzie Chief Executive Officer
## Interim FY17 scorecard

**Strong cash generation drives debt reduction**

<table>
<thead>
<tr>
<th><strong>Safety</strong></th>
<th>Despite improvements in a range of safety measures, tragically there was a fatality at Escondida 9%(^1) reduction in TRIF</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Volume</strong></td>
<td>One-off events and Onshore US deferrals offset underlying release of latent capacity Record WAIO volumes; Caval Ridge wash-plant throughput maximised during high prices</td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td>H1 FY17 productivity gains of US$1.2 billion Unit cash costs down at our major assets</td>
</tr>
<tr>
<td><strong>Financial results</strong></td>
<td>Underlying EBITDA of US$9.9 billion; Underlying EBITDA margin of 54% Attributable profit of US$3.2 billion</td>
</tr>
<tr>
<td><strong>Cash flow</strong></td>
<td>Net operating cash flow of US$7.7 billion demonstrates strong conversion of higher commodity prices into cash Free cash flow of US$5.8 billion from capital discipline and productivity</td>
</tr>
<tr>
<td><strong>Balance sheet</strong></td>
<td>Net debt of US$20.1 billion; gearing 24.3% ‘A’ credit rating with S&amp;P; outlook raised to stable</td>
</tr>
<tr>
<td><strong>Dividend</strong></td>
<td>Interim dividend of US$0.40 per share US$0.30 per share under minimum 50% payout ratio and additional US$532 million or US$0.10 per share</td>
</tr>
</tbody>
</table>

---

1. BHP Billiton operated assets, from FY16.

**Financial results**  
21 February 2017
Safety is paramount

The health and safety of our people and communities always comes first

- Tragically, there was a fatality at Escondida during the period
- Total Recordable Injury Frequency (TRIF) of 3.9 is down 9%¹

TRIF performance at operated sites
(Number of recordable injuries per million hours worked²)

1. FY06 to FY14 presented on a total operations basis.
2. BHP Billiton operated assets, from FY16.
Progress at Samarco

Committed to social and environmental rehabilitation

Rehabilitation
- Renova Foundation fully functional
- Rehabilitation and compensation programs making good progress
- Resettlements, land purchases underway
- Dam stabilised, containment dykes in place
- River bank remediation on track

Legal developments
- Constructive Preliminary Agreement with Federal Prosecutors
- Technical advisors appointed to review remediation program
- Bottom-up, community-focused, cost-based approach
- Criminal cases ongoing

Mine restart
- Restart important but must be safe and economically viable
- Require state and federal approvals and community support
- Negotiations for use of Vale’s Timbopeba pit underway
- Debtholder negotiations

Avenida Beira Rio – Barra Longa

November 2015

October 2016

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Financial results
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Peter Beaven Chief Financial Officer
### Strong financial performance

**Diversified portfolio and simplified structure underpins superior margins**

- Underlying EBITDA of US$9.9 billion, up 65%
- Underlying EBIT of US$6.0 billion, up US$4.6 billion
- Attributable profit of US$3.2 billion
  - adjusted effective tax rate\(^1\) of 34.7% or 44.5% including royalties
- Underlying return on capital of 9.2%
- US$0.40 per share dividend determined for H1 FY17
  - US$0.30 under minimum 50% payout ratio
  - US$0.10 additional amount

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#### Iron Ore
- 42% of Group\(^3\)
- 118 Mt
- Cost\(^4\): US$15.05/t
- EBITDA\(^4\): US$4.1 bn
- EBITDA\(^4\) margin: 60%

#### Petroleum
- 20% of Group\(^3\)
- 106 MMboe
- Conventional cost: US$8.42/boe
- EBITDA: US$2.0 bn
- EBITDA margin: 61%

#### Metallurgical Coal
- 18% of Group\(^3\)
- 21 Mt
- Cost\(^4\): US$56.43/t
- EBITDA: US$1.8 bn
- EBITDA\(^4\) margin: 54%

#### Copper
- 18% of Group\(^3\)
- 712 kt
- Cost\(^4\): US$1.09/lb
- EBITDA: US$1.7 bn
- EBITDA margin: 46%

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1. Excludes the influence of exchange rate movements and exceptional items.
2. BHP Billiton data for FY06 to FY14 presented on a total operations basis. Peer group comprises Anglo American, Rio Tinto and Vale.
3. Percentage contribution to Group Underlying EBITDA.
4. Unit cost, EBITDA and EBITDA margins refer to Western Australia Iron Ore and Queensland Coal.
5. Operated copper assets (Escondida, Pampa Norte and Olympic Dam).

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**Financial results**

21 February 2017
Group EBITDA waterfall

Rise in EBITDA driven by commodity prices and productivity

Underlying EBITDA variance
(US$ billion)

<table>
<thead>
<tr>
<th></th>
<th>External US$3.1 billion</th>
<th>Controllable US$0.8 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 FY16</td>
<td>6.0</td>
<td>3.5</td>
</tr>
<tr>
<td>Price¹</td>
<td>(0.3)</td>
<td>1.1</td>
</tr>
<tr>
<td>Foreign exchange</td>
<td>(0.1)</td>
<td>0.0</td>
</tr>
<tr>
<td>Inflation</td>
<td></td>
<td>0.0</td>
</tr>
<tr>
<td>Sub-total</td>
<td>9.1</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Growth volumes</td>
<td></td>
<td>0.0</td>
</tr>
<tr>
<td>Productivity volumes</td>
<td></td>
<td>(0.2)</td>
</tr>
<tr>
<td>Controllable cash costs²</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel &amp; energy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-cash³</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other⁴</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1 FY17</td>
<td>9.9</td>
<td></td>
</tr>
</tbody>
</table>

1. Net of price-linked costs.
2. Includes a benefit related to the increase in estimated recoverable copper contained in the Escondida sulphide leach pad and favourable inventory movements.
3. Non-cash includes net deferred stripping costs.
4. Other includes ceased and sold operations, asset sales, one-off items and other items (including profit/loss from equity accounted investments).

Financial results
21 February 2017
Productivity lifts margins

Over US$11 billion of productivity gains delivered over past four years

- Underlying EBITDA margin of 54%
  - without productivity gains, margin would have been <30%¹
- Costs down at our major assets in H1 FY17
- Revised unit cost guidance reflects stronger AUD
  - WAIO raised to <US$15/t
  - Queensland Coal raised to US$54/t
  - Conventional petroleum and Escondida² remain unchanged

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1. Illustrative representation based on reported Revenue and Underlying EBITDA in each period less cumulative productivity gains since FY12.
2. Excluding impact of industrial action.
3. Presented on a continuing operations basis excluding royalties; BHP Billiton’s share of volumes from equity accounted investments; copper equivalent volumes calculated using FY16 realised prices.

Financial results
21 February 2017
Strong cash flow and balance sheet

Simpler portfolio delivers substantial conversion of higher prices into cash flow

- **Net operating cash flow of US$7.7 billion**
  - despite US$1.3 billion working capital increase reflecting stock build ahead of LCE commissioning and higher prices

- **Free cash flow of US$5.8 billion**
  - capital and exploration expenditure of US$2.7 billion
  - Onshore US free cash flow positive

- **Balance sheet is strong**
  - net debt of US$20.1 billion
  - gearing of 24.3%
  - average maturity of 8.5 years with low refinancing risk
  - ‘A’ credit rating raised to stable outlook

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1. Other movements include dividend paid to non-controlling interest, purchase of shares by Employee Share Ownership Plan Trusts, and other items.
2. Non-cash movement includes foreign exchange variance due to the revaluation of local currency denominated debt to USD and mark-to-market interest rate on bonds.

Financial results
21 February 2017
Disciplined capital allocation

With heightened uncertainty and elevated prices, we have a bias for debt reduction

- **Maintenance:** US$0.6 billion including deferred stripping
  - US$1.4 billion guidance for FY17 under revised definition of maintenance capital
- **Excess cash of US$6.4 billion** allocated during the period
  - **Cash to balance sheet:** US$4.7 billion
  - **Organic growth:** US$2.1 billion
    - major projects tracking to plan (Escondida Water Supply, NWS Greater Western Flank-B and Jansen)
    - additional rigs in Onshore US
    - successful Trion bid and positive exploration results
  - **Additional dividends:** US$0.3 billion determined for H2 FY16
  - **Further simplification of the portfolio:** US$0.7 billion of proceeds received

### Financial Results

- **Balance sheet:** US$4.7 billion
- **Additional dividends:** US$0.3 billion
- **Buy-backs:** US$0.0 billion
- **Organic growth:** US$2.1 billion
- **Acquisitions/Divestments:** (US$0.7 billion)

1. Dividends paid to non-controlling interests of US$300 million.
2. Related to final dividend determined by the Board for FY16 and paid in September 2016.

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Andrew Mackenzie Chief Executive Officer
Near-term uncertainty, attractive long-term fundamentals

Copper and oil remain our preferred long-term growth commodities

<table>
<thead>
<tr>
<th>Short-term</th>
<th>Medium-term</th>
<th>Long-term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political uncertainty</td>
<td>New supply</td>
<td>Growth in population, wealth</td>
</tr>
<tr>
<td>Modest economic growth</td>
<td>Steeper cost curves</td>
<td>Urbanisation and new demand centres</td>
</tr>
<tr>
<td>Price volatility</td>
<td>Sustainable productivity</td>
<td>Decarbonisation</td>
</tr>
<tr>
<td>Petroleum market rebalances</td>
<td>Asian growth</td>
<td>Technology</td>
</tr>
</tbody>
</table>
Well placed for anticipated conditions

Our diversified portfolio, strong balance sheet and competitive growth options position us well

- Simple portfolio of tier 1 assets, diversified across our preferred commodities
  - cost curve positions enhanced with over US$11 billion of annualised productivity gains delivered in the past four years

- Strong balance sheet insulates operations and investment capacity from cyclical swings
  - US$6 billion reduction in net debt over six months

- Rich opportunity-set of investment options across the near, medium and long term
  - >40% reduction in capital intensity\(^1\) of growth options since FY12
  - will only be executed at the right time and in accordance with the capital allocation framework

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Source: AME; Wood Mackenzie; BHP Billiton analysis.

1. Capital intensity is calculated as the aggregate growth capital expenditure divided by the incremental copper equivalent tonnes.
2. Based on weighted average equity share of production using quality-adjusted operating cost curves versus contestable demand in the markets in which our assets operate; metallurgical coal excludes Blackwater mine.

Financial results
21 February 2017
## Progress on our roadmap

We have made significant progress across a broad suite of opportunities to grow value and returns

<table>
<thead>
<tr>
<th>Productivity</th>
<th>On track for full-year productivity guidance of US$1.8 billion (excluding impact of Escondida industrial action) The benefits of our simplified portfolio and new operating model will drive further gains</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latent capacity</td>
<td>Spence Recovery Optimisation completed; accessing high-grade ore from the Olympic Dam Southern Mining Area Los Colorados Extension ramp-up in late FY17; Caval Ridge Southern Circuit approval expected in FY17</td>
</tr>
<tr>
<td>Onshore US</td>
<td>Well productivity improved; positive Eagle Ford well trials; Permian acreage swaps; non-core acreage sales Haynesville hedging program expanded; further rigs dependent on market conditions</td>
</tr>
<tr>
<td>Growth portfolio</td>
<td>Mad Dog 2 approved; Spence Growth Option to Board in CY17; Olympic Dam BFX advanced; successful Trion bid Long term: positive Olympic Dam 450 leach trials; Jansen in feasibility; Scarborough momentum with new JV</td>
</tr>
<tr>
<td>Exploration</td>
<td>Wildling well accelerated as follow-up to Caicos discovery; assessing commerciality of LeClerc discovery Added over 100 exploration leases in US Gulf of Mexico over the last 12 months</td>
</tr>
<tr>
<td>Technology</td>
<td>3 sub-functions: Research and Development; Project Delivery and Operational Technology Current initiatives: Remote operations; equipment automation; decision automation; mass mining methods; chemical extraction; precision mining</td>
</tr>
</tbody>
</table>
Emerging stronger from the downturn

We have responded to the challenges of recent years…

Progress on our roadmap of value creation and improved returns

Demerger and US$7 billion of divestments

Over US$11 billion of productivity improvements

Latent capacity released

Added to Onshore US well inventory and conventional resource

40% reduction in capital intensity of growth options

Enhanced capital allocation framework

Balance sheet strengthened

Dividend policy improves financial flexibility

Simplified operating model

…and have the right foundations in place to substantially grow shareholder value
Appendix
BHP Billiton guidance

<table>
<thead>
<tr>
<th>Group</th>
<th>FY17e</th>
<th>FY18e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital and exploration expenditure (US$bn)</td>
<td>5.6</td>
<td>6.3</td>
</tr>
<tr>
<td><strong>Including:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td>1.4</td>
<td></td>
</tr>
<tr>
<td><strong>Includes non-discretionary capital expenditure to maintain asset integrity, reduce risks, and meet compliance requirements. Also includes deferred development and production stripping of US$394m for FY17.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exploration</td>
<td>1.0</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Includes: US$820m Petroleum and US$60m Copper exploration program planned for FY17.</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Petroleum</th>
<th>FY17e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total petroleum production (MMboe)</td>
<td>200 - 210</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Onshore US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditure (US$bn)</td>
</tr>
<tr>
<td>Production (MMboe)</td>
</tr>
<tr>
<td>Development activity tailored to market conditions.</td>
</tr>
<tr>
<td>We continue to balance near-term cash flow performance and long-term value maximisation.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Conventional Petroleum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditure (US$bn)</td>
</tr>
<tr>
<td>Production (MMboe)</td>
</tr>
<tr>
<td>Planned maintenance at Atlantis, divestment of our Pakistan gas business and natural field decline.</td>
</tr>
<tr>
<td>Unit cost (US$/barrel)</td>
</tr>
<tr>
<td>Excludes inventory movements, embedded derivatives movements, freight, third party product purchases and exploration expense.</td>
</tr>
<tr>
<td>Exploration (US$bn)</td>
</tr>
<tr>
<td>Focused on Mexico, the Gulf of Mexico, the Caribbean and Western Australia’s Northern Beagle Basin.</td>
</tr>
</tbody>
</table>
## BHP Billiton guidance (continued)

### Copper

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY17e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total copper production (Mt)</td>
<td>1.62</td>
</tr>
</tbody>
</table>

Guidance for Escondida at 1.07 Mt. Pampa Norte production is expected to increase. Guidance for Olympic Dam at 160 kt - 170 kt. Guidance for Antamina production at 130 kt and zinc at 90 kt. Excludes impact of Escondida industrial action.

### Escondida

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY17e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production (Mt, 100% basis)</td>
<td>1.07</td>
</tr>
<tr>
<td>Unit cash costs (US$/lb)</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Enabled by the commissioning of the Escondida Water Supply project. Excludes impact of industrial action. Excludes freight and treatment and refining charges; net of by-product credits; based on an exchange rate of USD/CLP 663. Excludes impact of industrial action.

### Iron Ore

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY17e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total iron ore production (Mt)</td>
<td>228 - 237</td>
</tr>
</tbody>
</table>

Excludes production from Samarco.

### Western Australia Iron Ore

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY17e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production (Mt, 100% basis)</td>
<td>265 - 275</td>
</tr>
<tr>
<td>Unit cash costs (US$/t)</td>
<td>&lt;15</td>
</tr>
</tbody>
</table>

Excludes freight and royalties; based on an exchange rate of AUD/USD 0.75. Includes additional rail maintenance costs.

### Coal

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY17e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total metallurgical coal production (Mt)</td>
<td>44</td>
</tr>
<tr>
<td>Total energy coal production (Mt)</td>
<td>30</td>
</tr>
</tbody>
</table>

The divestment of Navajo Coal to Navajo Transitional Energy Company was completed on 29 July 2016.

### Queensland Coal

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY17e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production (Mt)</td>
<td>44</td>
</tr>
<tr>
<td>Unit cash costs (US$/t)</td>
<td>54</td>
</tr>
</tbody>
</table>

Excludes freight and royalties; based on an exchange rate of AUD/USD 0.75.

### NSW Energy Coal

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY17e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production (Mt)</td>
<td>19</td>
</tr>
<tr>
<td>Unit cash costs (US$/t)</td>
<td>40</td>
</tr>
</tbody>
</table>

Excludes freight and royalties; based on an exchange rate of AUD/USD 0.75.
## Key Underlying EBITDA sensitivities

<table>
<thead>
<tr>
<th>Approximate impact on FY17 Underlying EBITDA of changes of:</th>
<th>US$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$1/t on iron ore price</td>
<td>217</td>
</tr>
<tr>
<td>US$1/bbl on oil price</td>
<td>79</td>
</tr>
<tr>
<td>US¢10/MMbtu on US gas price</td>
<td>26</td>
</tr>
<tr>
<td>US$1/t on metallurgical coal price</td>
<td>42</td>
</tr>
<tr>
<td>US¢1/lb on copper price</td>
<td>34</td>
</tr>
<tr>
<td>US$1/t on energy coal price</td>
<td>18</td>
</tr>
<tr>
<td>US¢1/lb on nickel price</td>
<td>2</td>
</tr>
<tr>
<td>AUD (US¢1/A$) operations</td>
<td>78</td>
</tr>
</tbody>
</table>

1. Assumes total volume exposed to price; determined on the basis of BHP Billiton's existing portfolio.
2. Excludes impact of equity accounted investments.
3. Excludes impact of change in input costs across the Group.
4. Excludes impact of Escondida industrial action.
5. Based on average exchange rate for the period.

Financial results
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1. All debt balances are represented in notional US$ values and based on financial years; as at 31 December 2016, prior to bond buy backs in H2 FY17.
2. Subsidiary debt is presented in accordance with IFRS 10 and IFRS 11.
3. Includes hybrid bonds (19% of portfolio: 9% in US$, 7% in Euro, 3% in Sterling).

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