Annual General Meeting 2012
BHP Billiton Limited

29 November 2012
Disclaimer

Reliance on Third Party Information
The views expressed herein contain certain information that has been derived from publicly available sources that has not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of such information.

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Non-IFRS financial information
BHP Billiton results are reported under International Financial Reporting Standards (IFRS). This presentation also includes certain non-IFRS measures, including Underlying EBIT and Underlying EBITDA which are used to measure segment performance and Attributable profit excluding exceptional items, Underlying EBITDA interest coverage, Underlying effective tax rate, Underlying EBIT margin and Underlying return on capital. 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.
Donna Ingram
Metropolitan Local Aboriginal Land Council
Mt Arthur, Energy Coal
Australia
Pat Davies

Member
Remuneration Committee
Group Management Committee

Marius Kloppers
Graham Kerr
Alberto Calderon
Mike Henry
Andrew Mackenzie
Marcus Randolph
Karen Wood
J Michael Yeager
Forum on Corporate Responsibility

Cristina Echavarria
Colombia

Yaa Ntiamo-Baidu
Ghana

Tommy Garnett
Sierra Leone

Phil Vernon
United Kingdom

Malini Mehra
United Kingdom/India

Simon Longstaff
Australia

James Ensor
Australia

Greg Bourne
Australia

Mick Dodson
Australia
Port Hedland, Iron Ore
Australia
GDP growth in OECD

Contribution to growth in world real GDP per capita (%)

Source: IMF Global Economic Outlook database.
GDP growth in OECD and non-OECD countries

Contribution to growth in world real GDP per capita (%)

Source: IMF Global Economic Outlook database.
GDP growth in OECD and non-OECD countries

Contribution to growth in world real GDP per capita (%)

Source: IMF Global Economic Outlook database.
Olympic Dam, Base Metals
Australia
China’s development

Shanghai, China
Broken Hill circa 1900
BHP

Indonesia circa 1920
Billiton
Bass Strait, Petroleum Australia

Shenzi, Gulf of Mexico, Petroleum United States
Escondida, Base Metals
Chile

Copper, Spence, Base Metals
Chile
Potash, Jansen
Canada
Strong performance

**Profit attributable to shareholders**¹ (US$ billion)

- FY2008: 15
- FY2009: 5
- FY2010: 13
- FY2011: 25
- FY2012: 15

**Net operating cash flow**² (US$ billion)

- FY2008: 15
- FY2009: 10
- FY2010: 15
- FY2011: 30
- FY2012: 20

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1. Including exceptional items.
2. Net operating cash flows are after net interest and taxation.
1. Dividends declared in respect of the period.
Delivering superior shareholder returns over 10 years

Total Shareholder Return (TSR)$^1$

\[ \text{FY2003} - \text{current} \]

- BHP Billiton Limited dividends
- BHP Billiton Limited price
- ASX200 dividends
- ASX200 price

**Source:** Datastream.
1. TSR calculated in Australian dollars from 30 June 2002 to 23 November 2012. Note that the share price reflects adjustments for rights issues and bonus shares and dividends assume reinvestment on the ex-dividend date.
Attributable profit excluding exceptional items: $17.1 billion

Fayetteville impairment: $(1.8) billion

Other exceptional items¹: $0.1 billion

Attributable profit including exceptional items: $15.4 billion

1. Other exceptional items after tax comprise: impairment of Nickel West goodwill and other assets US$(355) million; suspension or early closure of operations and the change in status of specific projects US$(342) million; settlement of insurance claims US$199 million; and recognition of deferred tax assets on enactment of MRRT and PRRT extension legislation in Australia US$637 million.
Eagle Ford, Petroleum
United States
Diversification strategy

Escondida, Base Metals
Chile

Port Hedland, Iron Ore
Australia

BMA, Metallurgical Coal
Australia

Jansen, Potash
Canada

Eagle Ford, Petroleum
United States
Performance since 2007

**Total Recordable Injury Frequency (TRIF)**

- 2007: 8
- 2008: 7
- 2009: 7
- 2010: 7
- 2011: 7
- 2012: 4

Reduced by 36%

**Greenhouse gas emissions (kilotonnes CO₂-e)**

- 2007: 60,000
- 2008: 45,000
- 2009: 30,000
- 2010: 15,000
- 2011: 10,000
- 2012: 5,000

Reduced by 19%

**Production** (rebased to 100 (FY2007))

- 2007: 95
- 2008: 100
- 2009: 105
- 2010: 110
- 2011: 115
- 2012: 120

Increased by 13%

**Underlying EBIT** (US$ billion)

- 2007: 0
- 2008: 10
- 2009: 20
- 2010: 30
- 2011: 40
- 2012: 50

**EBIT margin** (%)

- Average EBIT margin over 40%

1. Excludes third party trading activities.
Community

- Artists working on Minyipuru (Seven Sister) as part of Yiarra Kuju: The Canning Stock Route Project
- Installing solar panels in local homes, Spence Base Metals, Chile
- Mozal Community Development Trust Aluminium, Mozambique
- Newman Primary School Iron Ore, Australia
Improving maternal and child health in southern Africa

‘Window of Opportunity’ project in partnership with Program for Appropriate Technology in Health (PATH)
Community

- Regional Science Fair, Illawarra, Metallurgical Coal, Australia
- Students at a Sujag Sansar Organization school, Petroleum, Pakistan
- School Library Toconao, Foundation of Escondida, Base Metals, Chile
- Pre-prep program at Blackwater Primary School, BMA, Metallurgical Coal, Australia
Agenda

Chairman's address

CEO's address

Questions

Items of business
Overview

• Safety

• Financial Performance

• Current market conditions and economic outlook

• Our response to the challenges facing the industry
Robust financial results

- Attributable profit of US$15.4 billion included net exceptional charges of US$1.7 billion
- Attributable profit (excluding exceptional items) of US$17.1 billion, down 21%
- Underlying EBITDA of US$33.7 billion, down 9%
- Underlying EBIT of US$27.2 billion, down 15%
- Net operating cash flow of US$24.4 billion, down 19%
- Gearing of 26% following the acquisition of Petrohawk Energy Corporation
- Full year dividend of 112 US cents per share, up 11%

1. Attributable profit excluding exceptional items.
2. Underlying EBIT is earnings before net finance costs, taxation and any exceptional items.
3. Net operating cash flows are after net interest and taxation.
4. Represents the dividend declared for each BHP Billiton Plc and BHP Billiton Limited share.
Production records

Angostura Petroleum
Trinidad and Tobago

Antamina
Base Metals
Peru

Alumar refinery
Aluminium & Nickel
Brazil

Cerrejón Coal
Energy Coal
Colombia

GEMCO
Manganese
Australia

Hotazel
Manganese
South Africa

Illawarra
Metallurgical Coal
Australia

New South Wales
Energy Coal
Australia

Spence
Base Metals
Chile

Western Australia
Iron Ore
Australia
Our robust returns enable investment in our core commodities throughout the cycle

Major projects currently in execution¹ (capital expenditure, US$ billion)

1. Only includes major projects in execution as at 22 August 2012.
2. Facilities completed in the September 2012 quarter and ready to commence production pending resolution of the mercury content.
We are committed to our communities

Drinking water program, Zamzama Petroleum, Pakistan

Literacy program, BMA Metallurgical Coal, Australia

School Library Toconao, Foundation of Escondida Base Metals, Chile

Nelson Mandela Secondary School Aluminium, Mozambique
Prices have been volatile over the short term

Iron ore prices (US$/t, 62% Fe, CIF China)

Steel mill inventory (Days of inventory)

US Fed asset purchases (US$ billion)

Copper price (US$/t)

Note: Inventory from Mysteel survey on 55 mills' inventory of seaborne iron ore. Source: Platts; Mysteel.

Note: Change in Federal Reserve Bank assets is shown as a four week moving average. QE3 announced on 13 Sep. Source: US Federal Reserve, Bloomberg.
China’s GDP growth

• Over the past decade China grew rapidly as investment facilitated urbanisation

• China’s slowdown is directionally in line with expectations

• Over the next decade, urbanisation and industrialisation will continue to be the primary drivers of economic growth

• GDP Growth forecast at 7% to 8% this financial year and for the next decade

Source: Global Insight, IMF.
Strength in diversity

• The value of our diversified strategy was reflected in the Group’s Underlying EBIT margin of 39%\(^1\)

• Net operating cash flow of US$12.1 billion in H2 FY12 declined by 1% when compared with H1 FY12 and demonstrated the cash generating capacity of our business throughout the economic cycle

• Underlying return on capital was 23% or 27% excluding capital investment associated with projects not yet in production

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1. Excludes third party trading activities.
2. 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.
The power of our diversified model

EBIT margin¹

(%)  

80  

60  

40  

20  

0  

FY02² FY03 FY04 FY05 FY06 FY07 FY08 FY09² FY10 FY11 FY12²

- Petroleum
- Aluminium
- Base Metals
- D&SP
- SSM
- Iron Ore
- Manganese
- Metallurgical Coal
- Energy Coal
- Total

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1. Calculated on the basis of UKGAAP for periods prior to FY05, except for the exclusion of PRRT 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 Specialty Products.

2. Negative margins are not shown as the y-axis is set at zero. SSM had a negative EBIT margin in FY02 and FY09. Aluminium had a negative EBIT margin in FY12.
Decisive actions in a challenging market

- Despite the rate of cost escalation being exacerbated by a number of temporary factors, we are targeting significant cost reductions in FY13.

- Decisive action, including site closures and temporary stoppages, has been taken across the Group to respond to industry wide cost pressure to ensure we remain at the lower end of the cost curve.

- Queensland Coal and Escondida will benefit significantly as production recovers from recent challenges.

- WAIO will fully benefit from the acquisition of the HWE mining subsidiaries in FY13.

- It is important Governments provide a stable and predictable policy environment to support the industry.

### FY12 cash costs escalation

<table>
<thead>
<tr>
<th>Sector</th>
<th>FY12 escalation (%)</th>
<th>Major outages and disruptions²</th>
<th>Labour, raw materials and other²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metallurgical Coal</td>
<td>+5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aluminium</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base Metals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy Coal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Petroleum</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manganese</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iron Ore</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSM</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

1. Increase in FY12 cash costs, including Major outages and disruptions, excluding the impact of energy costs, inflation, exchange rate volatility and non-cash items, divided by FY11 cash costs. Excludes the non-operated Richards Bay Minerals operation and the EKATI diamond mine (both part of the D&SP CSG).
2. The impact of wet weather and industrial action at Escondida and Queensland Coal, and the outage at Hillside, are excluded from Labour, raw materials and other; included in Major outages and disruptions.
Superior returns throughout the cycle

- Our proven strategy has delivered sector leading returns
- With 19 major, largely brownfield projects currently in execution, we are on track to continue to deliver industry leading returns
- We have returned US$53.8 billion\(^1\) to shareholders over the last 10 years
- The unique diversification of our high quality asset portfolio means we are very well placed for the inevitable evolution of commodities demand

**Total shareholder returns over 10 years\(^2\)**

<table>
<thead>
<tr>
<th></th>
<th>BHP Billiton</th>
<th>Peer 1</th>
<th>Peer 2</th>
<th>Peer 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>(%)</td>
<td>600</td>
<td>330</td>
<td>240</td>
<td>170</td>
</tr>
</tbody>
</table>

Source: Datastream; annual reports; press releases; BHP Billiton analysis.

1. Refers to the period FY03 to FY12; includes buy-backs and dividends.
2. Peer group based on LSE constituents: Rio Tinto, Anglo American and Xstrata. TSR assumptions include: US dollar terms and weighted average for dual listed companies; calculated over the period 30 June 2002 until 30 June 2012.
Marius Kloppers
Chief Executive Officer

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29 November 2012
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CEO's address
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Port Hedland, Iron Ore, Australia

Questions
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Chairman's address

CEO’s address

Questions

Items of business

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CEO’s address

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Items 2-14: Election of Directors
Member
Remuneration Committee
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CEO’s address

Questions

Items of business

Items 2-14: Election of Directors
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Item 15: Reappointment of auditor of BHP Billiton Plc
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Item 16: General authority to issue shares in BHP Billiton Plc
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CEO’s address

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Item 17: Issuing shares in BHP Billiton Plc for cash
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Item 18: Repurchase of shares in BHP Billiton Plc
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CEO’s address

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Items of business

Item 19: Remuneration Report
STI, LTI and Company Performance

Average STI reward for current GMC members vs profit attributable to shareholders (excluding exceptional items)

Value of US$100 invested over the 2007 LTIP cycle (with dividends reinvested)
CEO Remuneration Mix

Total CEO Remuneration
(US$ million)

2011
US$11.06m

2012
US$6.63m

- Long-term incentive (expected value)
- Short-term incentive (deferred shares)
- Short-term incentive (cash)
- Salary, pension and benefits

1. Health and other insurances and the costs of preparing taxation returns in multiple jurisdictions.
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CEO’s address

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bhp billiton
resourcing the future