

Newman



Interim results

Half year ended 31 December 2013

Andrew Mackenzie Chief Executive Officer
Graham Kerr Chief Financial Officer
18 February 2014



bhpbilliton
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Forward looking statements

This release contains forward looking statements, including statements regarding: trends in commodity prices and currency exchange rates; demand for commodities; plans, strategies and objectives of management; closure or divestment of certain operations or facilities (including associated costs); anticipated production or construction commencement dates; capital costs and scheduling; operating costs and shortages of materials and skilled employees; anticipated productive lives of projects, mines and facilities; provisions and contingent liabilities; tax and regulatory developments.

Forward looking statements can be identified by the use of terminology such as 'intend', 'aim', 'project', 'anticipate', 'estimate', 'plan', 'believe', 'expect', 'may', 'should', 'will', 'continue', 'annualised' or similar words. These statements discuss future expectations concerning the results of operations or financial condition, or provide other forward looking statements.

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 release. Readers are cautioned not to put undue reliance on forward looking statements.

For example, our future revenues from our operations, projects or mines described in this release will be based, in part, upon the market price of the minerals, metals or petroleum produced, which may vary significantly from current levels. These variations, if materially adverse, may affect the timing or the feasibility of the development of a particular project, the expansion of certain facilities or mines, or the continuation of existing operations.

Other factors that may affect the actual construction or production commencement dates, costs or production output and anticipated lives of operations, mines or facilities include our ability to profitably produce and transport the minerals, petroleum and/or metals extracted to applicable markets; the impact of foreign currency exchange rates on the market prices of the minerals, petroleum or metals we produce; activities of government authorities in some of the countries where we are exploring or developing these projects, facilities or mines, including increases in taxes, changes in environmental and other regulations and political uncertainty; labour unrest; and other factors identified in the risk factors discussed in BHP Billiton's filings with the U.S. Securities and Exchange Commission (the "SEC") (including in Annual Reports on Form 20-F) which are available on the SEC's website at www.sec.gov.

Except as required by applicable regulations or by law, the Group does not undertake any obligation to publicly update or review any forward looking statements, whether as a result of new information or future events.

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 release also includes certain non-IFRS measures including Underlying attributable profit, Underlying basic earnings per share, Underlying EBITDA interest coverage, Underlying effective tax rate, Underlying EBIT margin, Underlying EBITDA margin, Underlying return on capital, Free cash flow, Net debt and Net operating assets. 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 and should not be considered as an indication of or alternative to an IFRS measure of profitability, financial performance or liquidity.

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 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.

Reliance on third party information

The views expressed in this release contain information that has been derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information. This release should not be relied upon as a recommendation or forecast by BHP Billiton.

Gulf of Mexico



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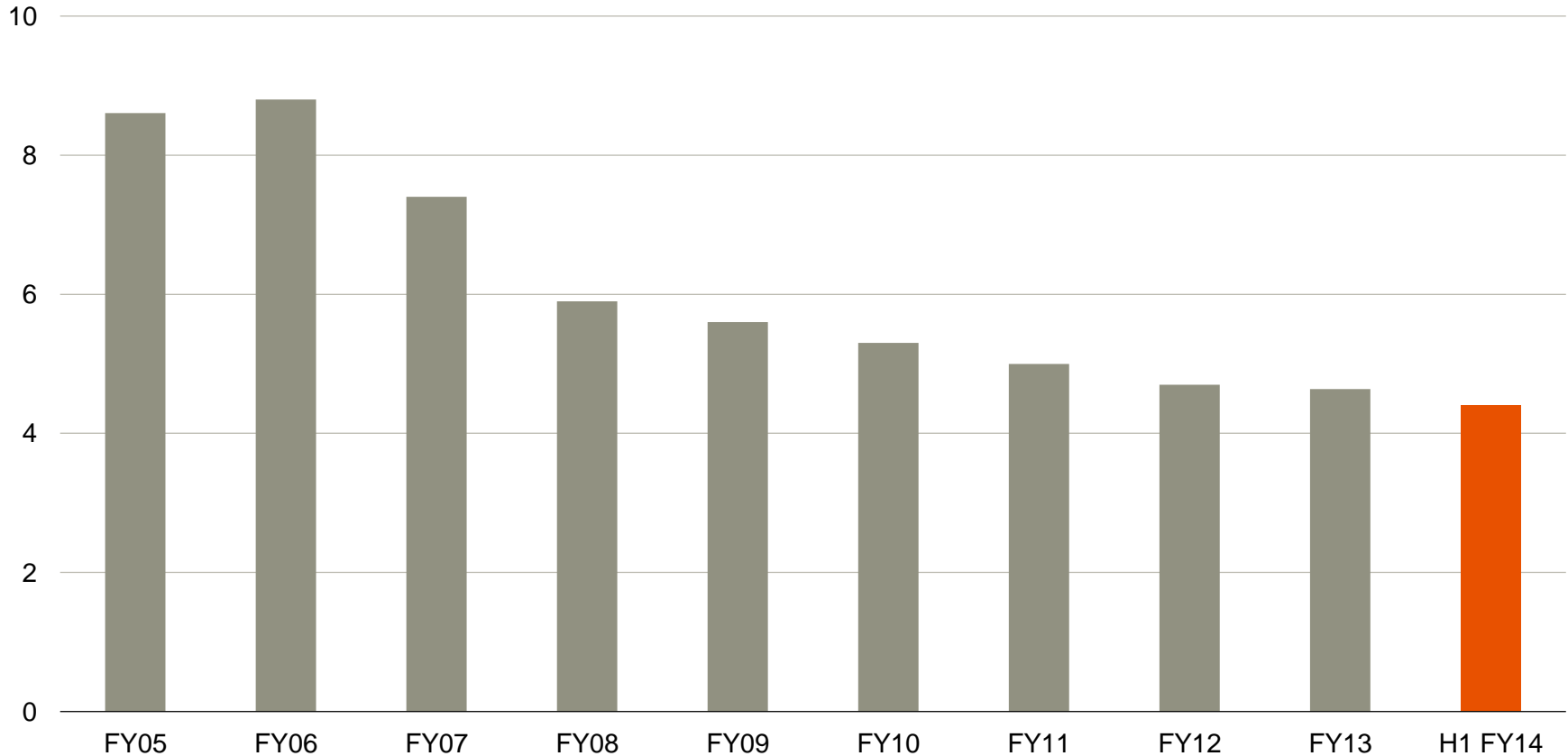


Key themes

- Record operational performance and strong production growth
- Sustainable productivity gains of US\$4.9 billion now embedded
- Capital and exploration expenditure to decline by 25% this year
- Competition for capital will drive investment returns higher
- Net debt of US\$27.1 billion expected to approach US\$25 billion by end FY14
- With strong free cash flow, selective investment and continued simplification, we are well placed to extend our strong track record of capital management

Safety is paramount

Total Recordable Injury Frequency (TRIF) (number of recordable injuries per million hours worked)



Strong growth in free cash flow

- **Underlying EBITDA** of US\$16.5 billion, up 16%
- **Underlying EBIT** of US\$12.4 billion, up 15%
- **Underlying attributable profit** of US\$7.8 billion, up 31%
- **Net operating cash flow** of US\$11.9 billion, up 65%
- **Capital and exploration expenditure** of US\$7.9 billion¹, down 28%
- **Free cash flow**² increased by US\$7.8 billion
- **Underlying return on capital**³ of 22%
- **Interim dividend** up 3.5% to 59 US cents per share
- **Net debt** down to US\$27.1 billion

1. Excludes capitalised deferred stripping and non-controlling interests; includes BHP Billiton proportionate share of equity accounted investments.

2. Net operating cash flows less net investing cash flows, adjusted to exclude proceeds from divestments and sales.

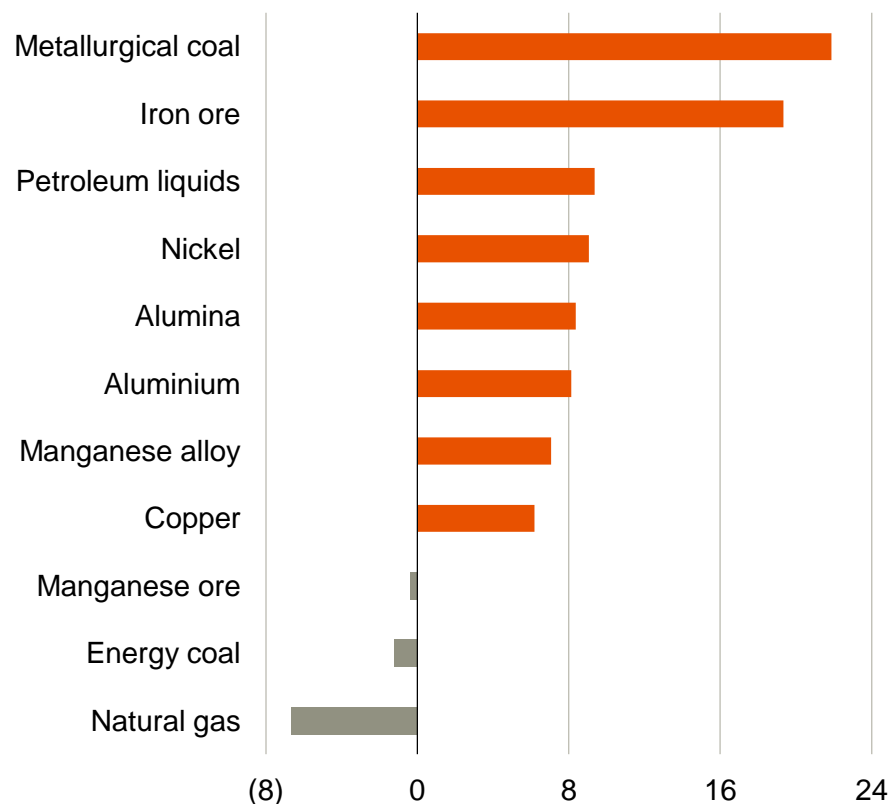
3. Excludes capital investment associated with projects not yet in production.

Note: Variance relates to the relative performance of BHP Billiton during H1 FY14 compared with H1 FY13.

Production records achieved at 10 operations

- Record Western Australia Iron Ore (WAIO) production, up 20% to 108 mt¹, with full year guidance upgraded to 212 mtpa¹ during the period
- Record Queensland Coal production, with an annualised rate of 68 mtpa¹ in the December 2013 quarter
- Copper production increased by 6% with Escondida on track to produce 1.1 mt¹ in FY14
- Petroleum liquids production increased by 9% to 50 MMboe underpinned by a 72% increase at Onshore US
 - lower natural gas production reflected our decision to prioritise high margin liquids

Strong and predictable operating performance (production volumes, % change, H1 FY14 versus H1 FY13)

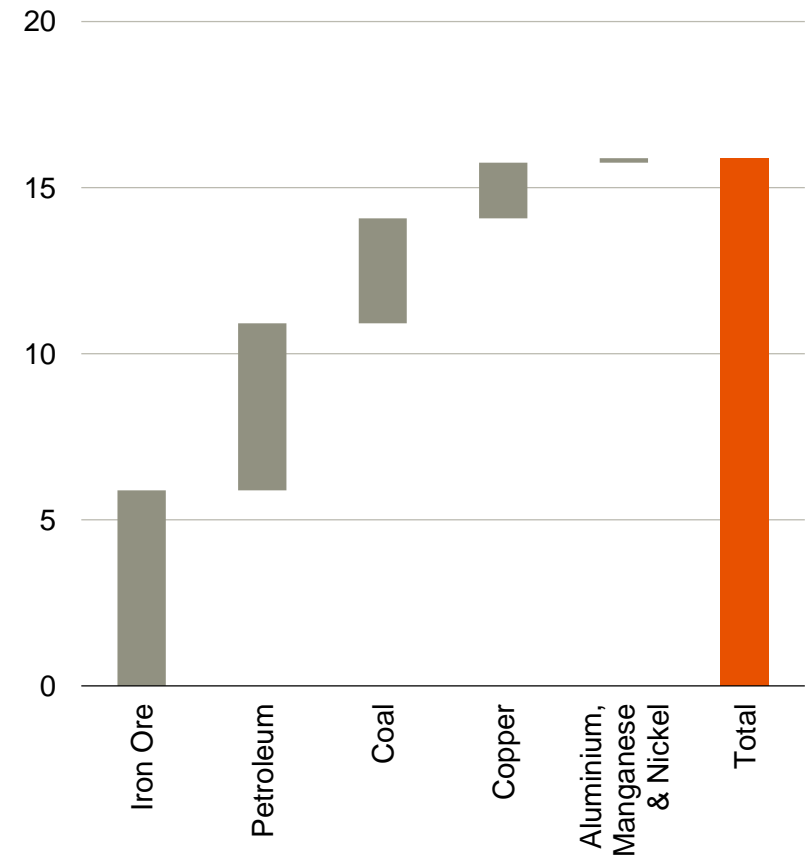


1. 100% basis.

Selective investment and productivity gains underpin strong momentum

- Production guidance maintained for FY14
 - iron ore production of 192 mt
 - petroleum production of 250 MMboe
 - metallurgical coal production of 41 mt
 - energy coal production of 73 mt
 - copper production of 1.7 mt
- We expect 16% production growth¹ over the two years to the end of FY15

Production growth contribution¹
(%, FY13 to FY15)



1. Copper equivalent production growth based on FY13 average realised product prices.

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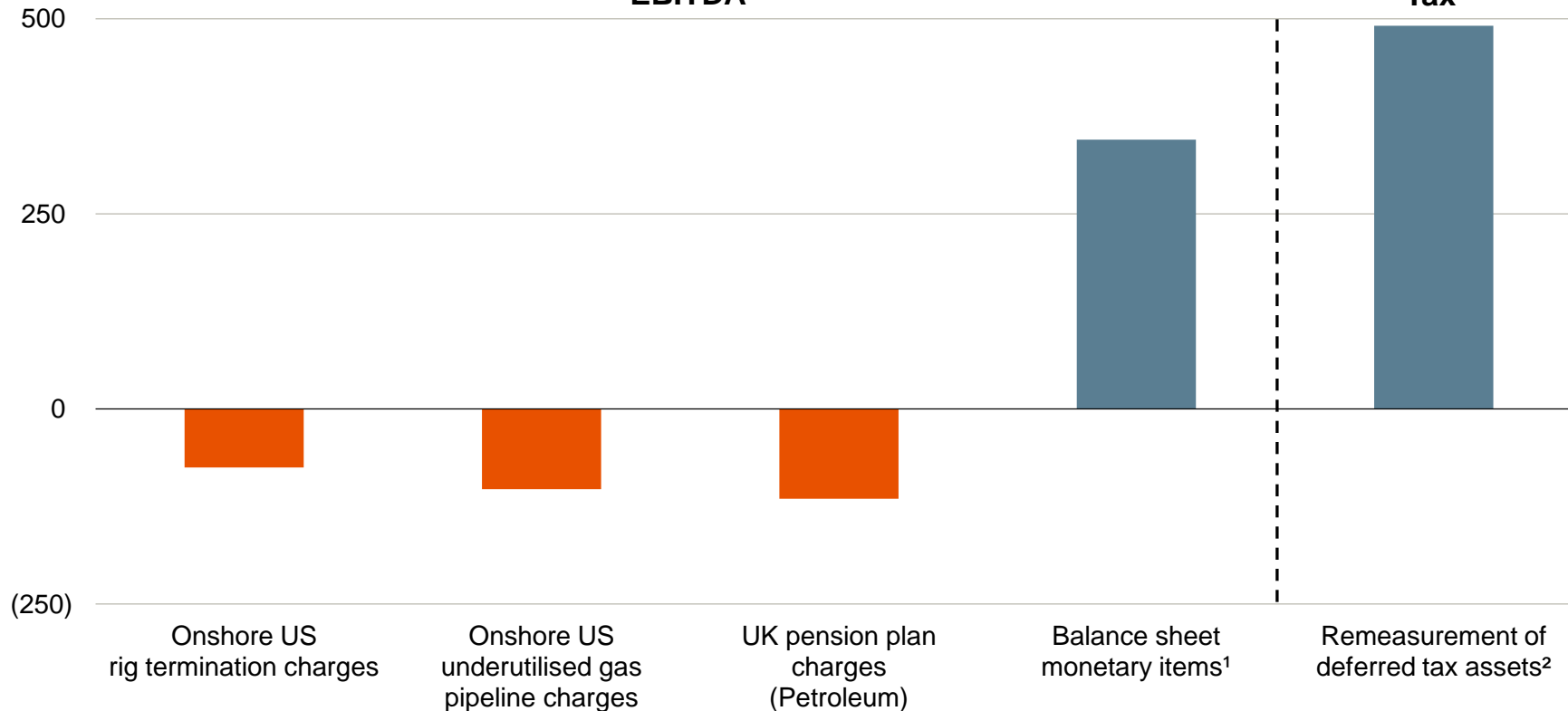
Other items affecting profitability

Other items

(US\$ million)

EBITDA

Tax



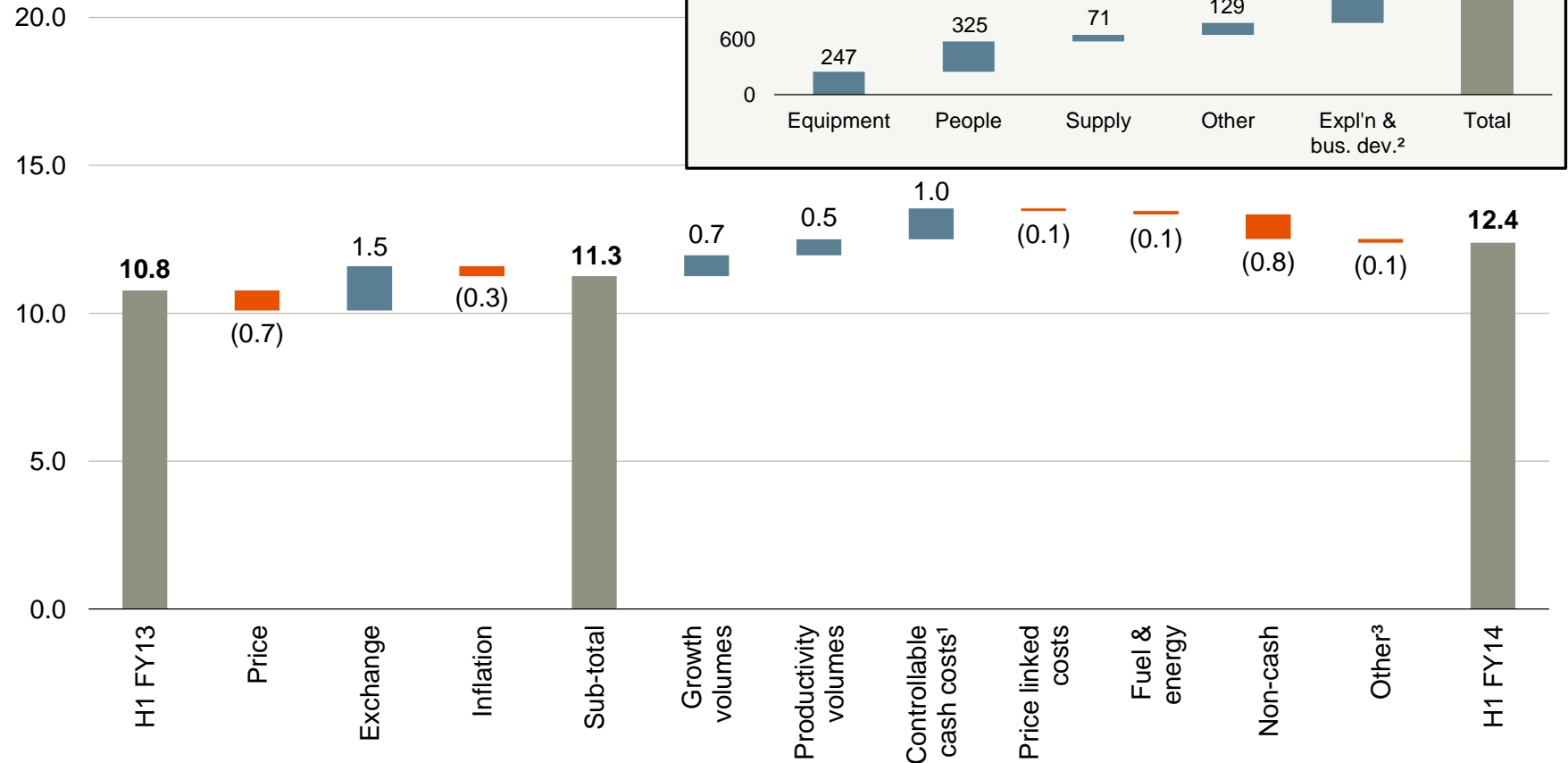
1. Period end foreign exchange related restatement of monetary items in the balance sheet; represents variance from H1 FY13.

2. Remeasurement of deferred tax assets associated with the Minerals Resource Rent Tax.

Productivity is delivering sustainable growth in margins and returns

EBIT variance

(US\$ billion, H1 FY14 versus H1 FY13)



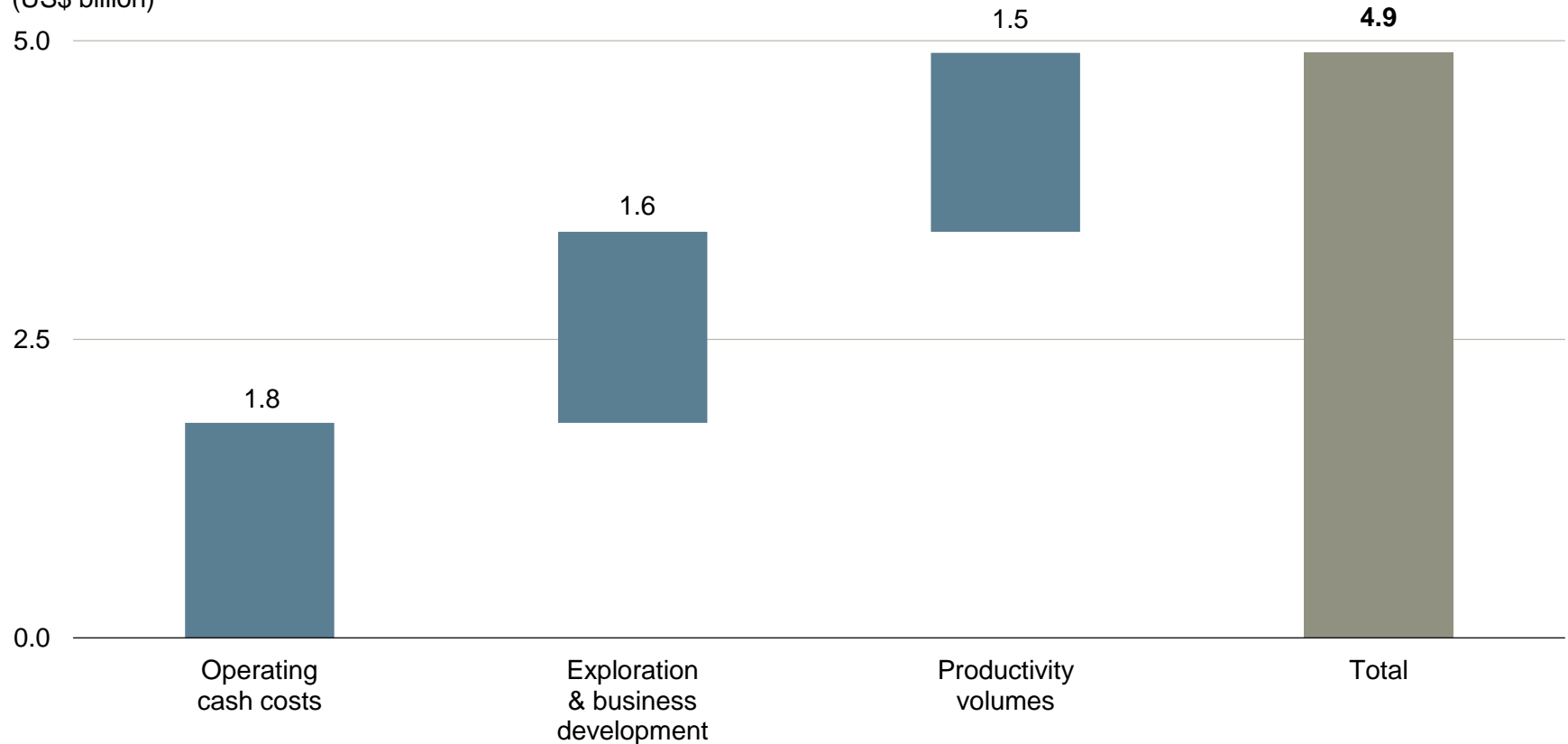
1. Controllable cash costs comprises operating cash costs and exploration and business development expense.

2. Exploration and business development expense.

3. Other includes one-off items, ceased and sold operations, asset sales and other items.

US\$4.9 billion¹ of cost and volume efficiencies now embedded

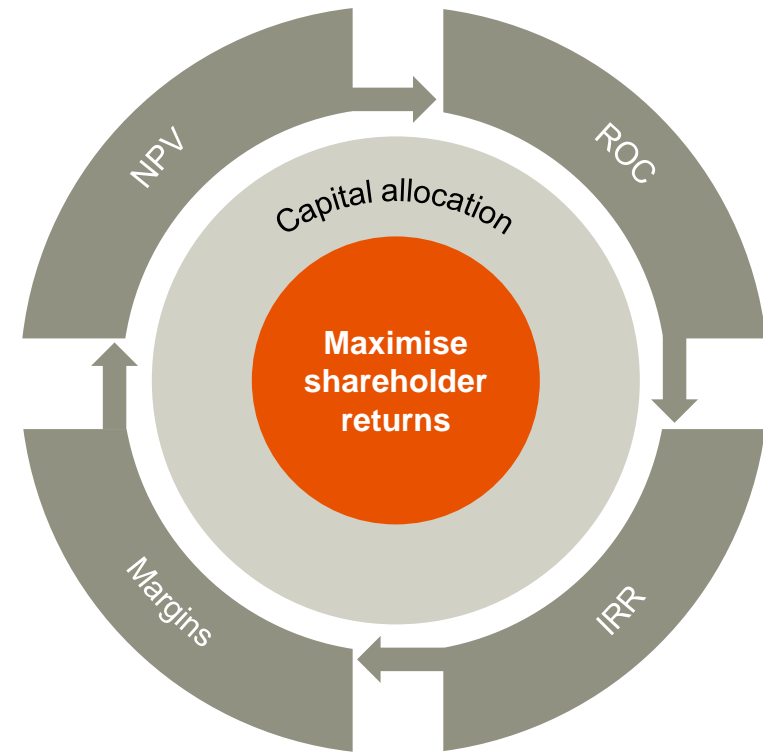
Productivity led cost and volume efficiencies¹ (US\$ billion)



1. Represents annualised volume and/or cash cost productivity efficiencies embedded within the H1 FY14 result relative to the FY12 baseline. FY13 included controllable cash cost efficiencies of US\$2.7 billion and volume efficiencies of US\$1.0 billion.

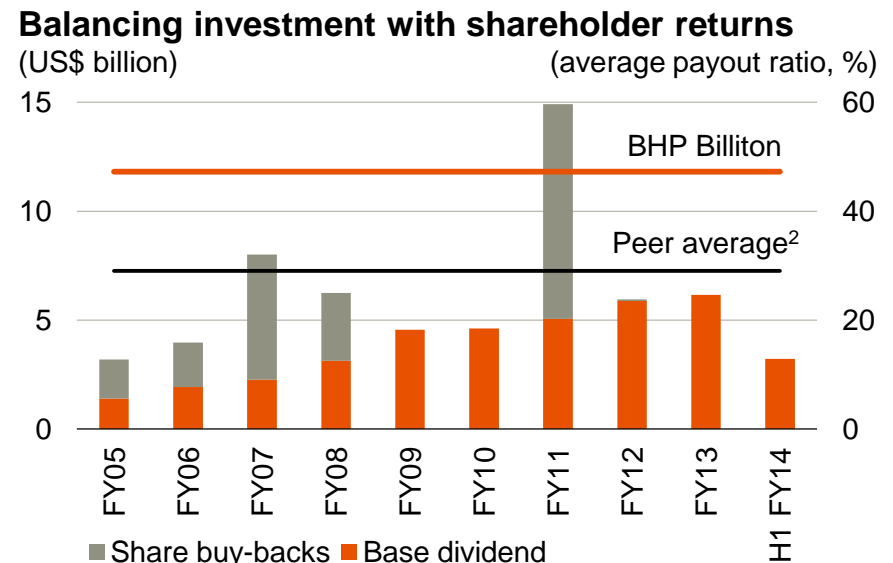
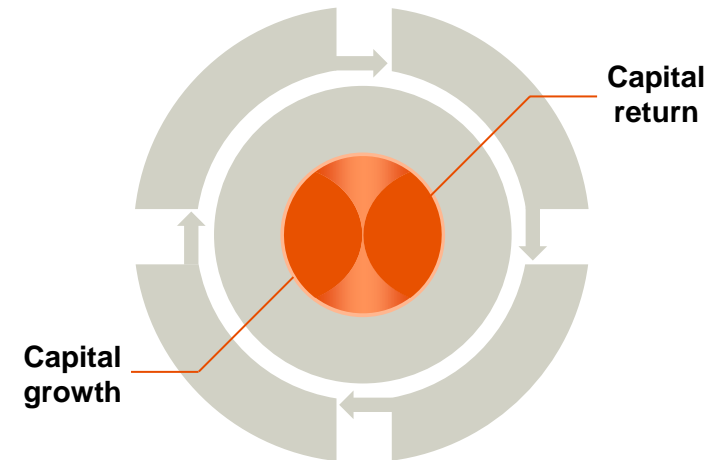
Our framework to maximise shareholder returns

- Our purpose when allocating capital is to maximise total shareholder returns
- Our strategy is to own and operate large, long life, low cost, expandable, upstream assets diversified by commodity, geography and market
- We will strike the balance between selective investment in our high quality portfolio and a commitment to extend our strong track record of capital management



A strong track record of capital management

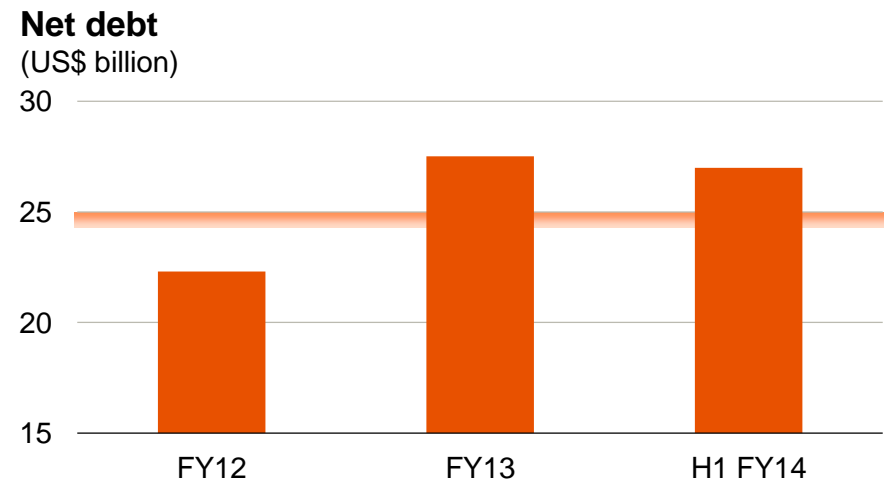
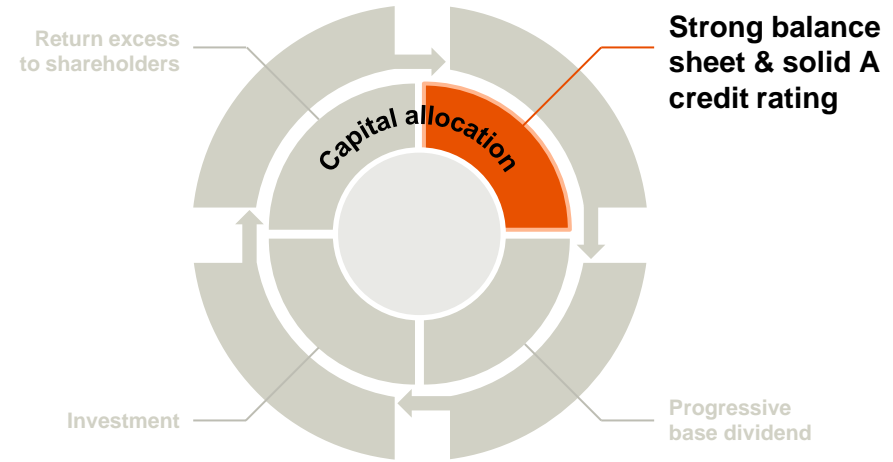
- Over the last 10 years we returned US\$62 billion¹ to our shareholders
 - a payout ratio of ~50%
- US\$100 invested in BHP Billiton a decade ago would have a value of US\$466³ today
 - CAGR of 17%



1. Includes buy-backs and dividends over the period from CY04 to CY13 inclusive.
 2. Peer group based on LSE constituents: Anglo American and Rio Tinto.
 3. Value as at 31 December 2013; assumes dividends are reinvested.
 Source: Datastream; BHP Billiton analysis.

Applying strict capital discipline

- We are committed to a solid A credit rating
 - 65% increase in net operating cash flow
 - proceeds of US\$2.2 billion¹ from portfolio simplification received in the period
- Net debt is expected to approach US\$25 billion by end FY14



1. Represents consideration for the Jimblebar and Pinto Valley transactions.

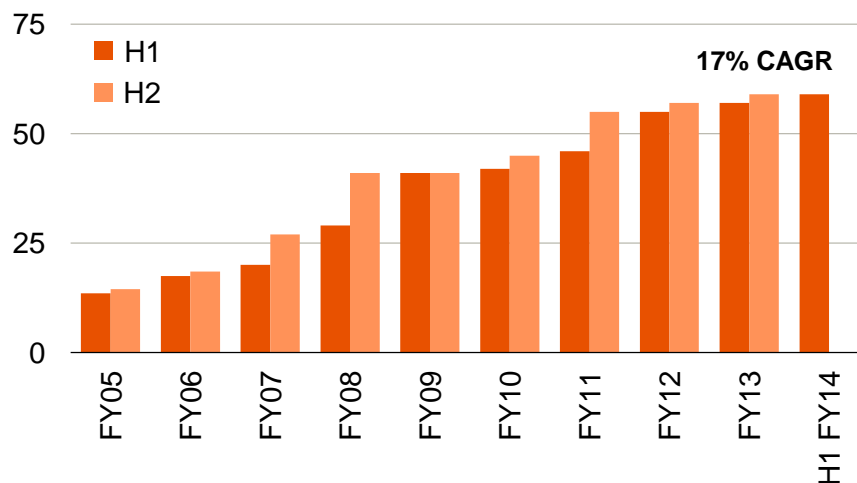
Applying strict capital discipline

- Our progressive base dividend has been maintained throughout the economic cycle
 - it is the minimum annual distribution that a shareholder should expect
 - returned US\$39 billion¹ in dividends over the last 10 years
- 3.5% increase in our FY14 interim dividend to 59 US cps
 - we will reassess its trajectory again at the end of the financial year
- +US\$6 billion annual dividend commitment is comfortably funded by internal cash flow



Strong growth in our progressive base dividend

(US cps)



1. Over the period from CY04 to CY13 inclusive.

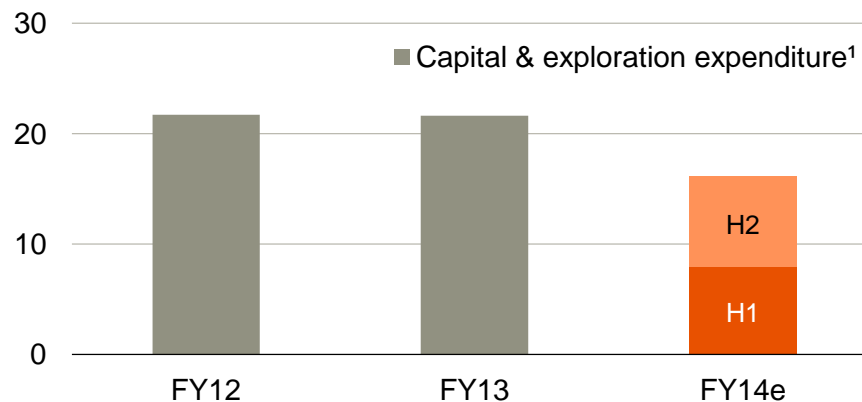
Applying strict capital discipline

- By reducing annual expenditure, we have significantly increased internal competition for capital
 - 25% reduction in capital and exploration expenditure¹ in FY14
 - our rate of expenditure will decline again next year
- We have delivered significant growth in free cash flow
 - increased by US\$7.8 billion² in H1 FY14



Substantial reduction in expenditure

(US\$ billion)

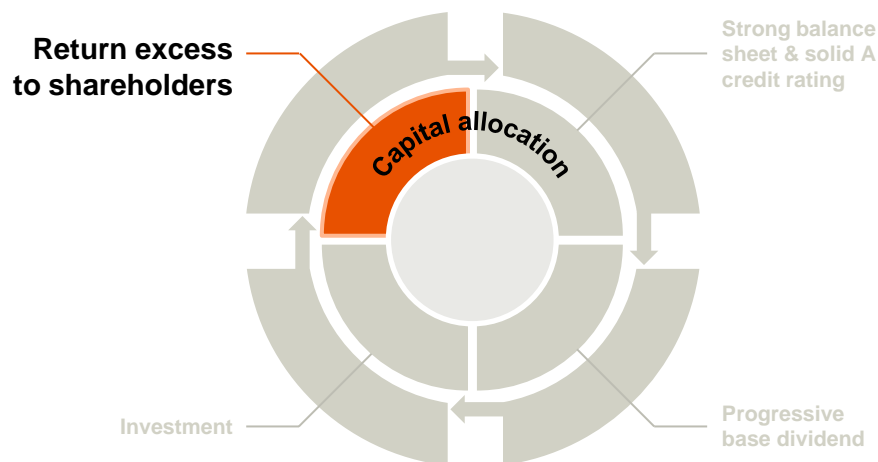


1. Represents the share of capital and exploration expenditure (on an accruals basis) attributable to BHP Billiton shareholders. Includes BHP Billiton proportionate share of equity accounted investments; excludes non-controlling interests and capitalised deferred stripping.

2. Net operating cash flows less net investing cash flows, adjusted to exclude proceeds from divestments and sales.

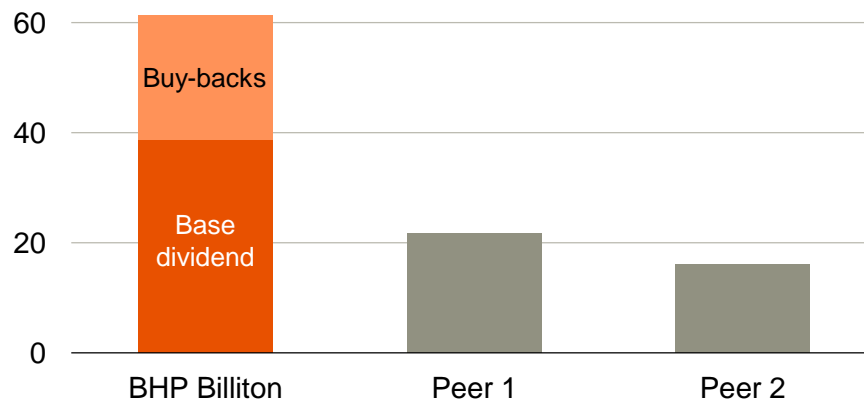
Applying strict capital discipline

- We have consistently returned excess capital to shareholders
 - completed buy-backs totalling US\$23 billion¹ over the last 10 years
- With strong free cash flow, selective investment and continued simplification, we are well placed to extend our strong track record of capital management



A strong track record of capital management^{1,2}

(US\$ billion)



1. Over the period from CY04 to CY13 inclusive.

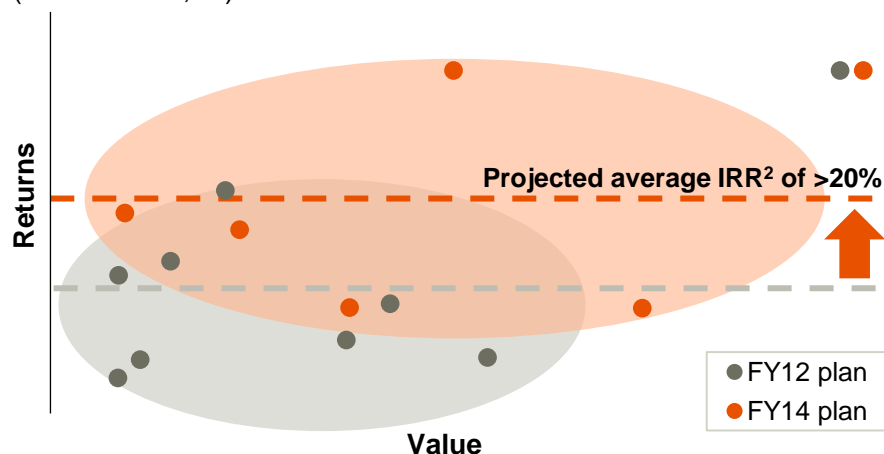
2. Peer group based on LSE constituents: Anglo American and Rio Tinto.

Competition for capital will increase returns

- Our opportunity rich portfolio remains a key point of differentiation
- By continuing to operate within a disciplined framework and by testing all decisions against challenging criteria, we will increase the capital efficiency of the Group
 - greater focus on our core basins
 - fewer projects will pass through our investment tollgates and study costs will decline
 - we will preserve high value options, at low cost
- Competition for capital has already improved the economics of our favoured projects
 - an average rate of return of $>20\%$ ¹ is achievable for our portfolio of major project options



Competition has raised investment returns² (nominal IRR, %)



1. Ungeared, post tax, nominal rate of return.

2. Includes our favoured six operated major project options with outlier projects scaled for illustrative purposes. FY12 plan normalised for price and foreign exchange.

Primed to increase shareholder returns

- We have delivered a significant increase in free cash flow
- Capital and exploration expenditure is expected to decline by 25% in FY14, as planned
- An average rate of return of >20%¹ for our favoured major projects is achievable
- Our progressive base dividend is comfortably funded by internal cash flow
- Continued simplification of our portfolio will further strengthen our balance sheet
- Net debt of US\$27.1 billion expected to approach US\$25 billion by end FY14
- With strong free cash flow, selective investment and continued simplification, we are well placed to extend our strong track record of capital management

1. Ungeared, post tax, nominal rate of return.



BMA

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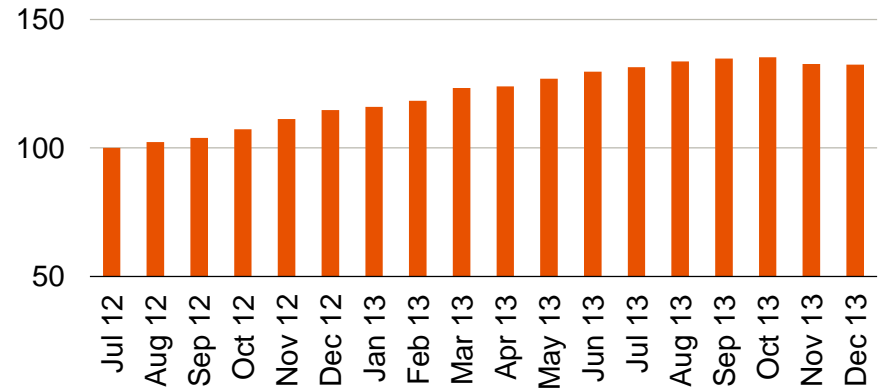


Unlocking shareholder value through productivity

- We committed to deliver more tonnes and more barrels from existing infrastructure at a lower unit cost
- Our culture, capability and systems support our continuing pursuit of sustainable improvements in productivity
- All of our people are empowered to deliver greater levels of productivity
- Our initiatives vary depending on the unique challenges and opportunities at each operation
- Sustainable operational improvement is the highest value adding thing we can do

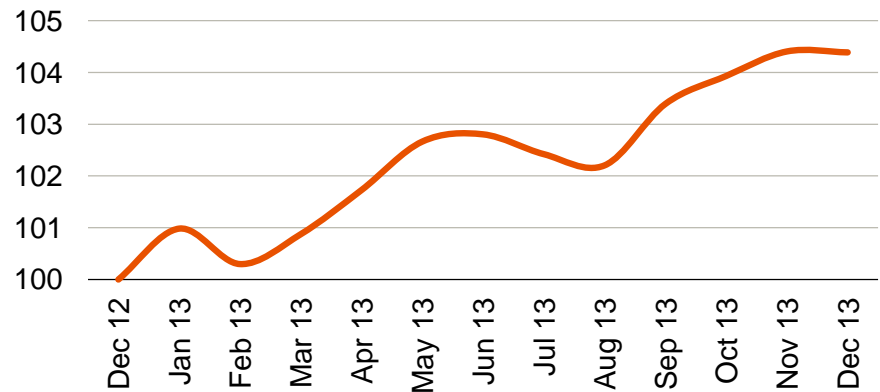
BMA 797 truck performance (Goonyella)

(hours, 12 month moving average, index, July 2012=100)



WAIO ore handling plants OEE¹

(12 month moving average, index, December 2012=100)



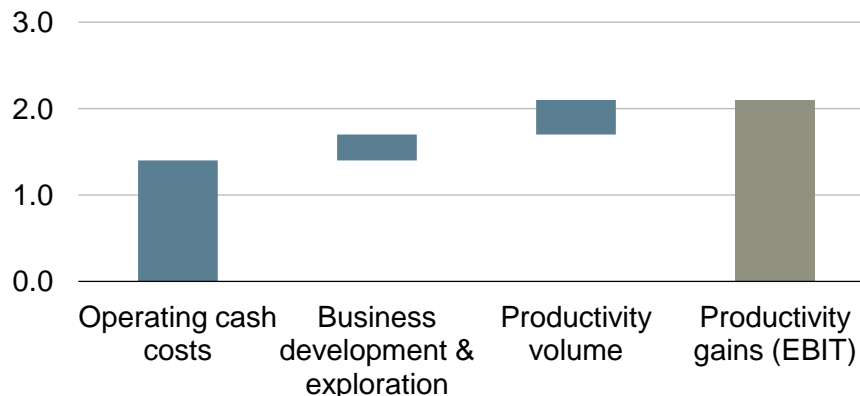
1. OEE stands for Overall Equipment Effectiveness and is defined as the rate at which the equipment performs relative to its technical limit or capacity.

Unlocking shareholder value through productivity

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- All of our people are empowered to deliver greater levels of productivity
- Our initiatives vary depending on the unique challenges and opportunities at each operation
- Sustainable operational improvement is the highest value adding thing we can do
 - at BMA, record production and a disciplined approach to reducing costs led to a 25% decline in unit cash costs¹

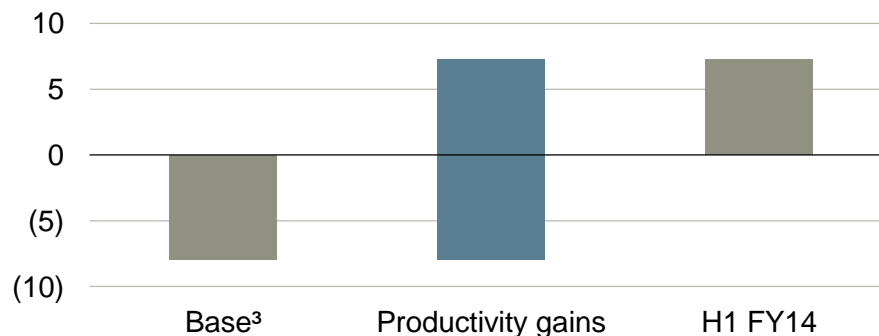
Coal productivity gains²

(US\$ billion)



Coal productivity = capital efficiency

(EBIT to average net operating assets, %)



1. Mine site cash costs in Australian dollars.

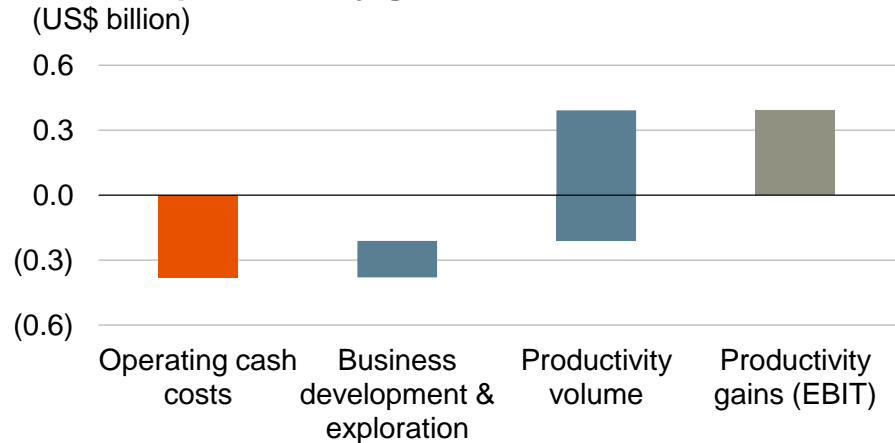
2. Represents annualised volume and/or cash cost productivity efficiencies embedded within the H1 FY14 result relative to the FY12 baseline.

3. Base represents the H1 FY14 return prior to productivity gains (EBIT) and any associated capital expenditure.

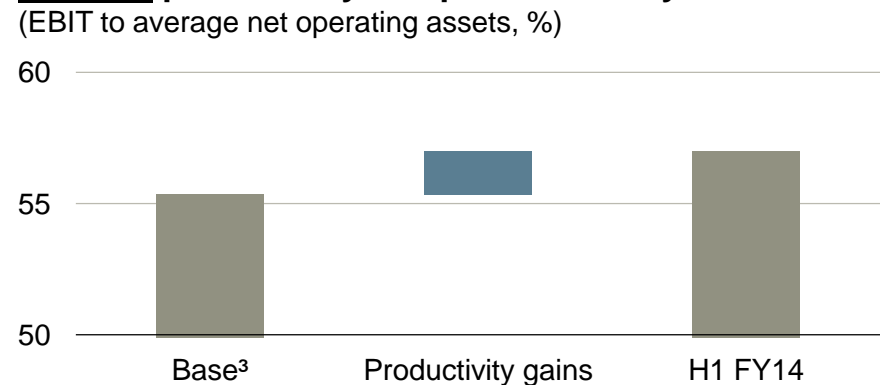
Unlocking shareholder value through productivity

- We committed to deliver more tonnes and more barrels from existing infrastructure at a lower unit cost
- Our culture, capability and systems support our continuing pursuit of sustainable improvements in productivity
- All of our people are empowered to deliver greater levels of productivity
- Our initiatives vary depending on the unique challenges and opportunities at each operation
- Sustainable operational improvement is the highest value adding thing we can do
 - at WAIO, supply chain debottlenecking contributed to a 5 mtpa uplift to FY14 production guidance¹

Iron Ore productivity gains²



Iron Ore productivity = capital efficiency



1. 100% basis.

2. Represents annualised volume and/or cash cost productivity efficiencies embedded within the H1 FY14 result relative to the FY12 baseline.

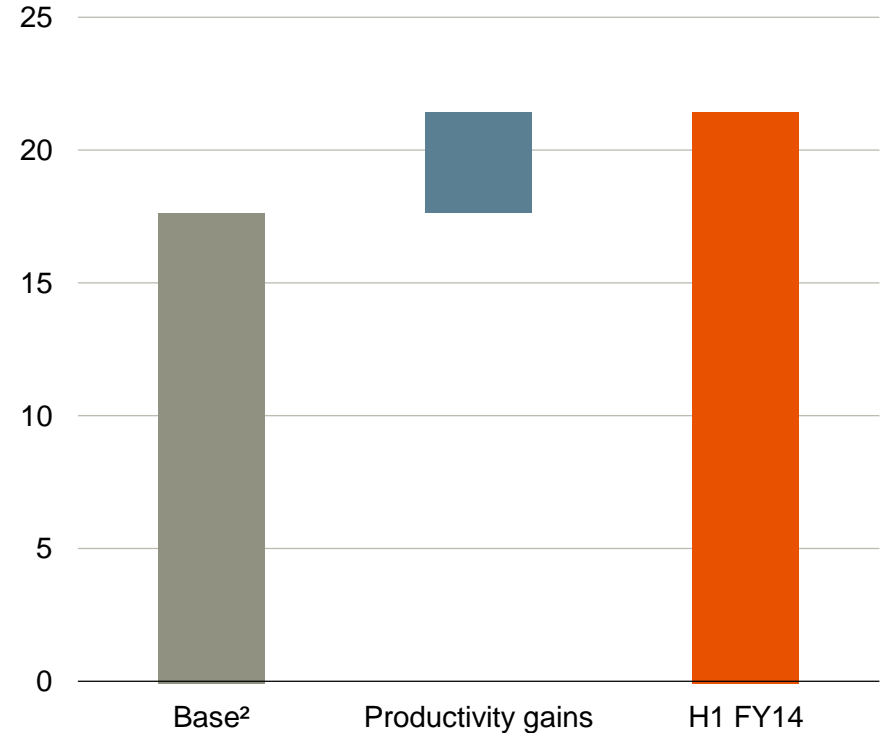
3. Base represents the H1 FY14 return prior to productivity gains (EBIT) and any associated capital expenditure.

Generating a sustainable increase in return on capital

- Strong operating performance and an intense focus on productivity has delivered an increase in the Group's Underlying return on capital to 22%¹
- Further discipline and the completion of several major projects will carry momentum into FY15

Return on capital

(earnings to average capital employed¹, %)



1. Excludes capital associated with projects not yet in production.

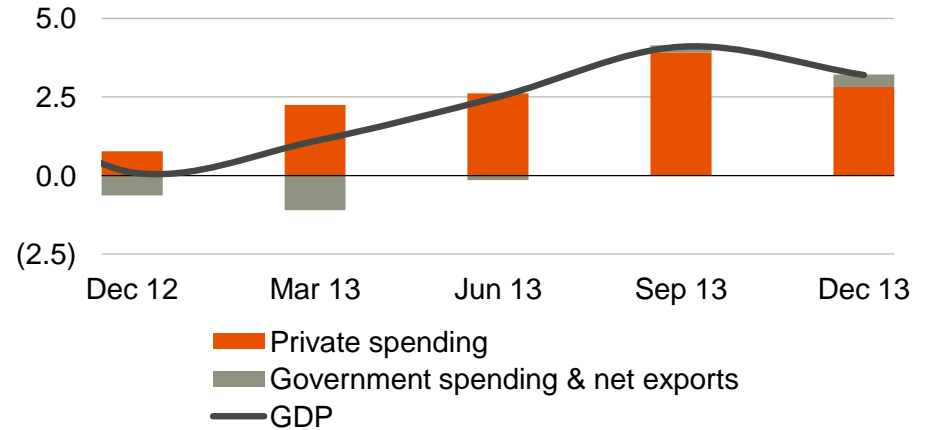
2. Base represents the H1 FY14 return prior to productivity gains (EBIT) and any associated capital expenditure.

Global growth is broad based and improving

- Global economic conditions improved during H1 FY14
- In the United States, growth has accelerated as private sector confidence builds
- China is in transition to a services led economy
- Some moderation in the rate of Chinese growth is expected
- Balance of risk to global growth is skewed to the upside given the stronger than expected performance of major developed economies

Private sector driving recent US growth

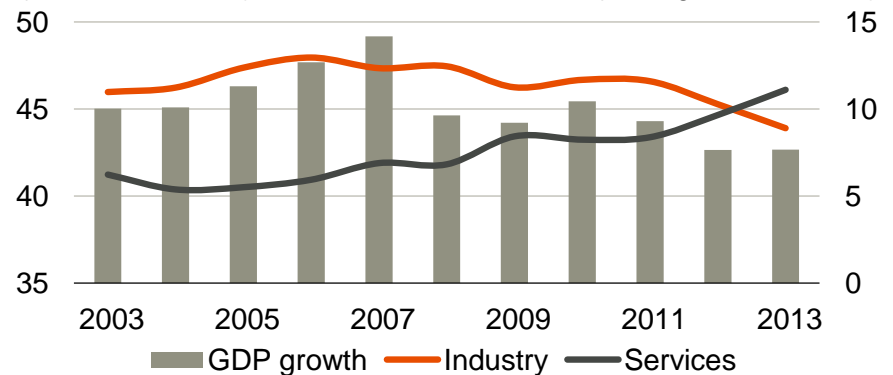
(% QoQ, annualised)



Chinese GDP is increasingly services led

(% of China GDP)

(GDP growth, % YoY)



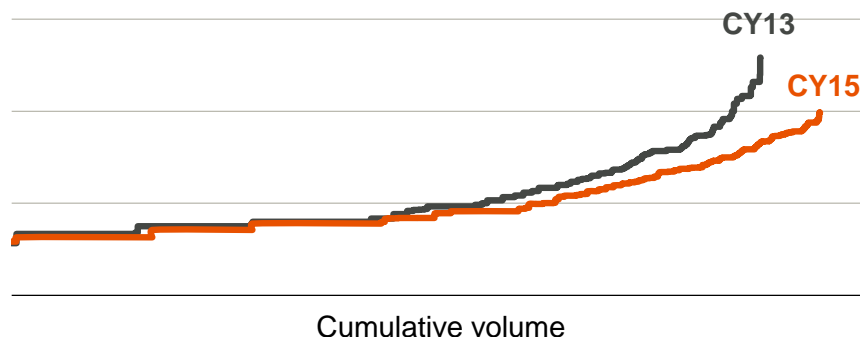
Source: U.S. Bureau of Economic Analysis; National Bureau of Statistics of China.

Markets will respond to supply growth

- With the displacement of high cost supply, the marginal cost of production for iron ore will decline
 - current steep cost curve contributes to volatility
 - price and volatility will reduce as low cost supply is commissioned
- The long term outlook for copper remains positive
 - grade decline at existing operations and rising strip ratios
 - potential for supply disruptions and project delays
 - few high quality opportunities ready for development

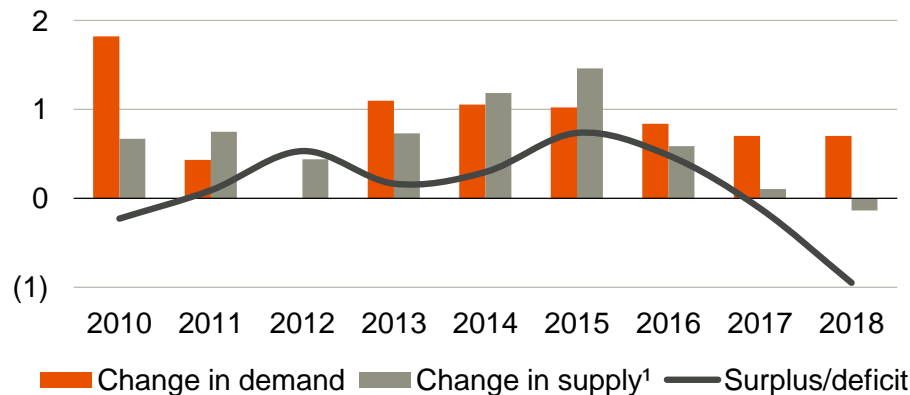
The iron ore cost curve will flatten

(US\$/t)



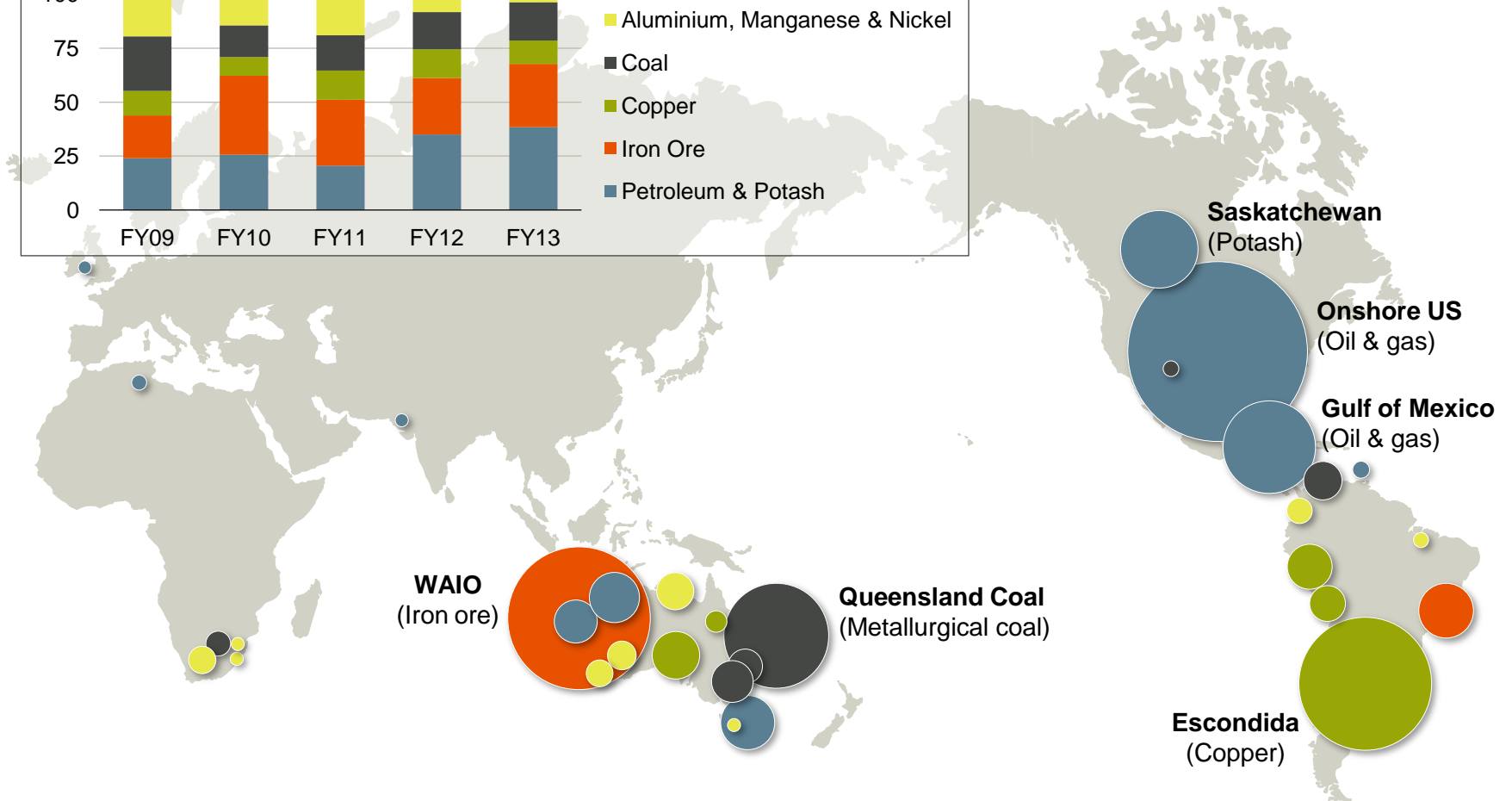
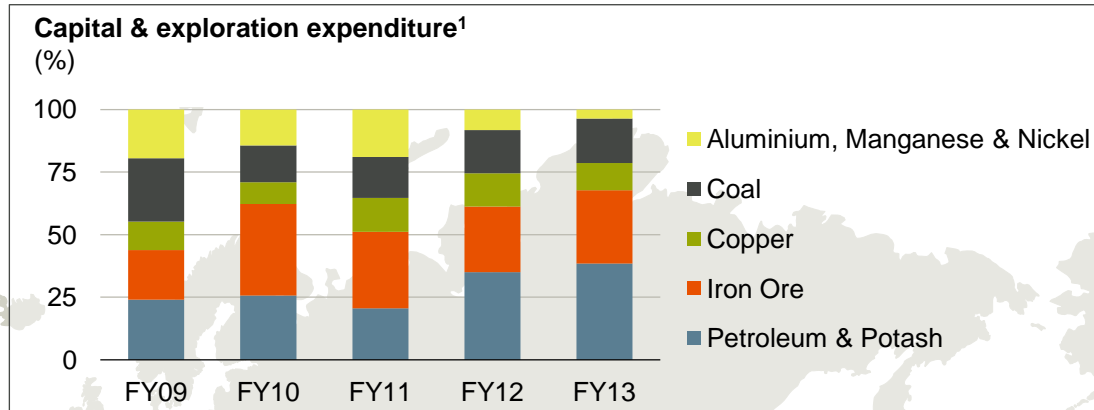
Refined copper market outlook

(million tonnes)



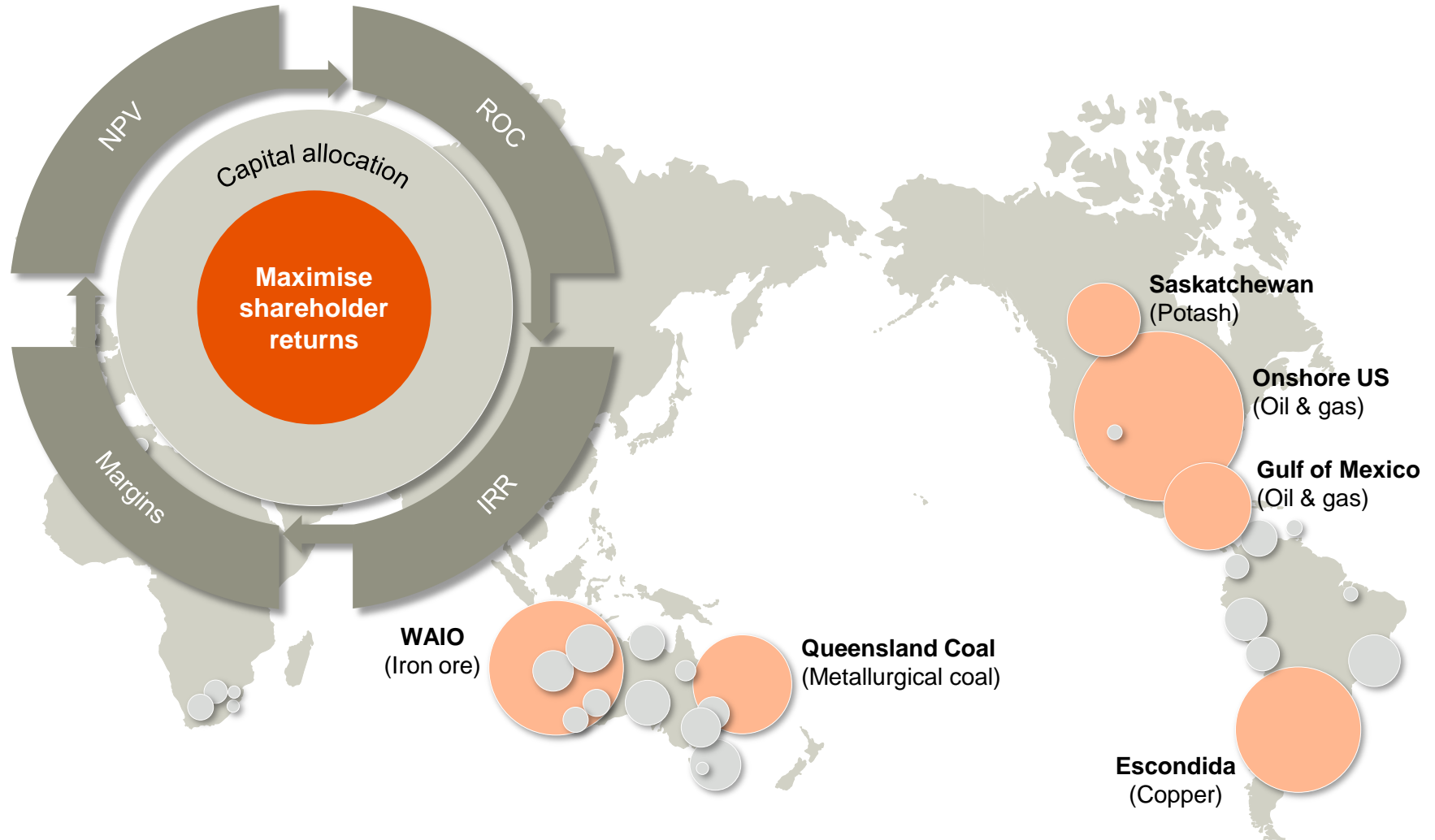
1. Supply without probable mine projects and market adjustments.
Source: Macquarie Research, October 2013; Wood Mackenzie; BHP Billiton analysis.

Our portfolio provides unrivalled flexibility



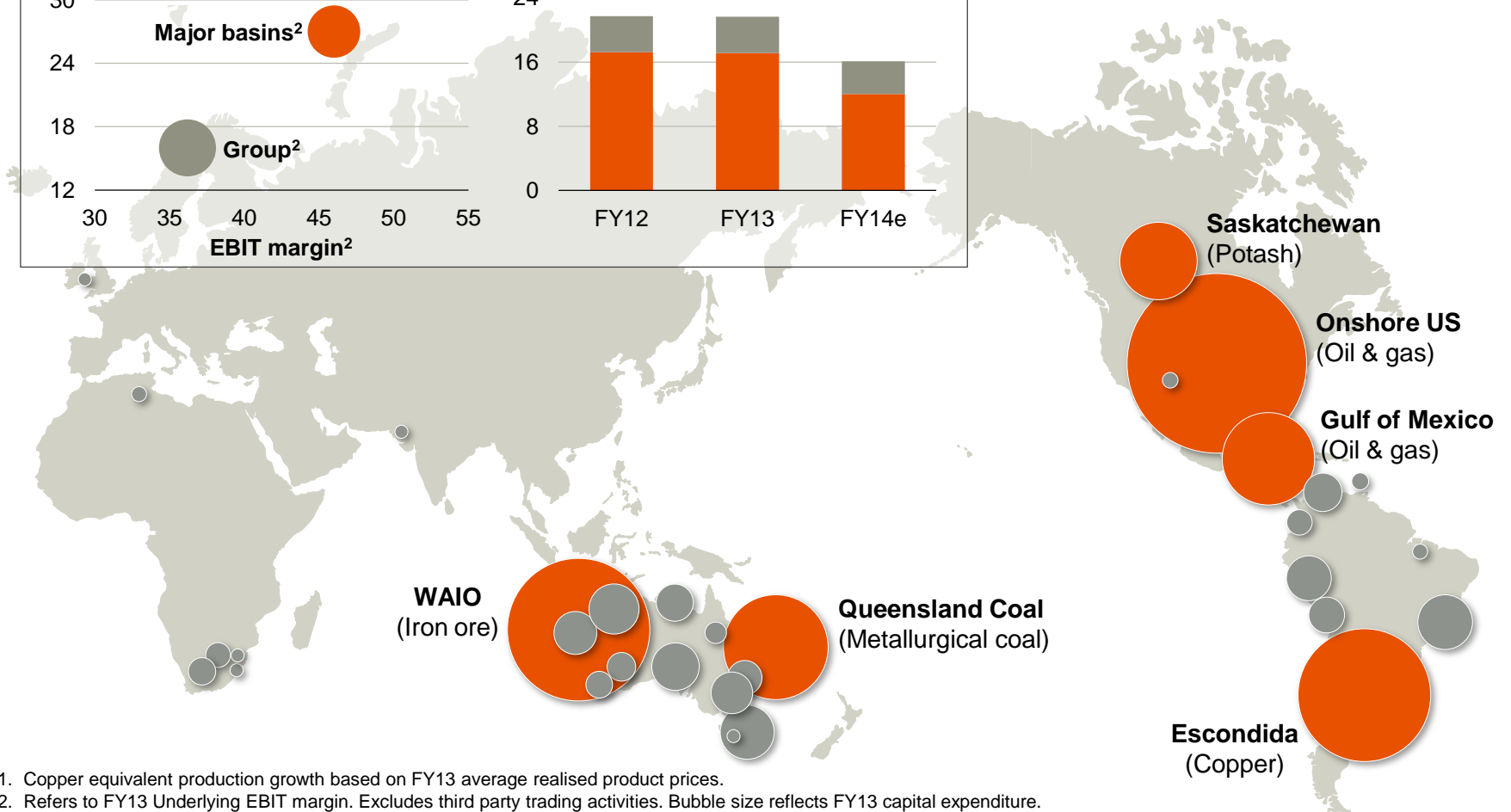
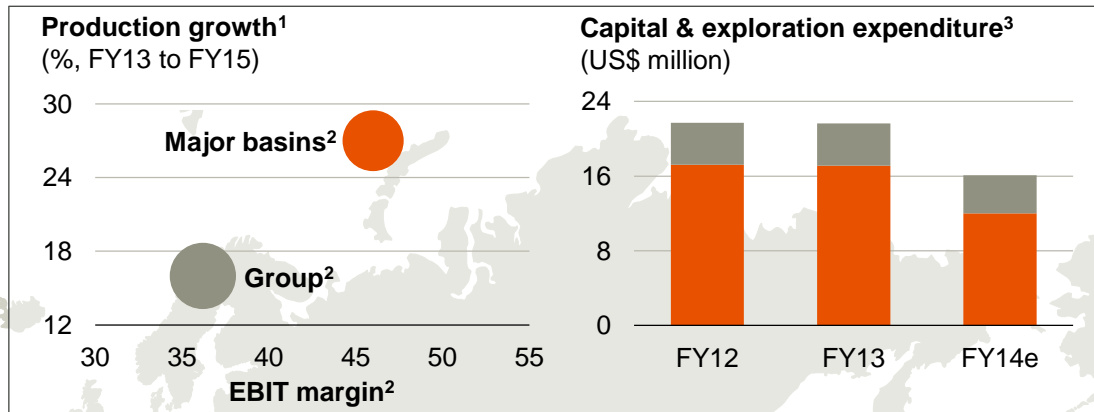
1. Figures are based on a pre-IFRS 10 and 11 and pre-IFRIC 20 basis for comparison purposes. Excludes diamonds and interest in titanium minerals.
Note: Bubble size represents combined capital expenditure for FY14 and FY15 for continuing operations.

Our portfolio approach to capital allocation



Note: Bubble size represents combined capital expenditure for FY14 and FY15 for continuing operations.

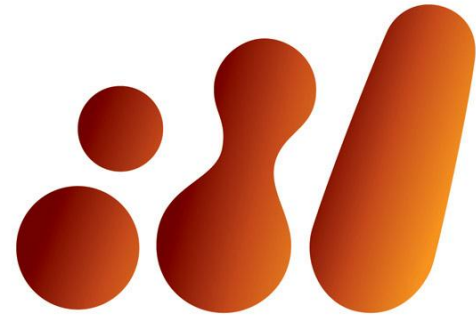
An increasing focus on our major basins



1. Copper equivalent production growth based on FY13 average realised product prices.
 2. Refers to FY13 Underlying EBIT margin. Excludes third party trading activities. Bubble size reflects FY13 capital expenditure.
 3. Represents BHP Billiton share. Includes proportionate share of equity accounted investments; excludes non-controlling interests and capitalised deferred stripping.
 Note: Bubble size represents combined capital expenditure for FY14 and FY15 for continuing operations.

Key themes

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bhpbilliton

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Appendix

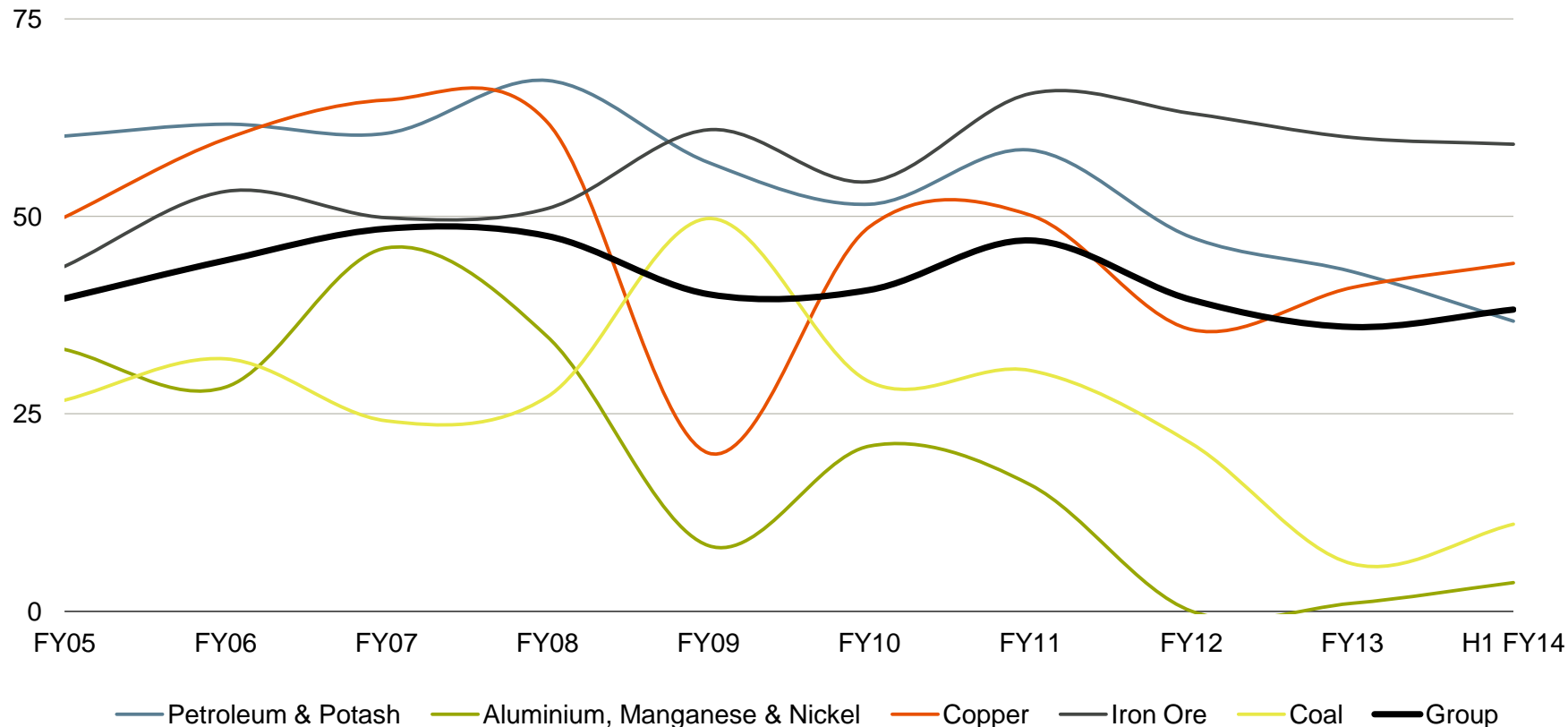


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Strength in diversity

EBIT margin

(%)

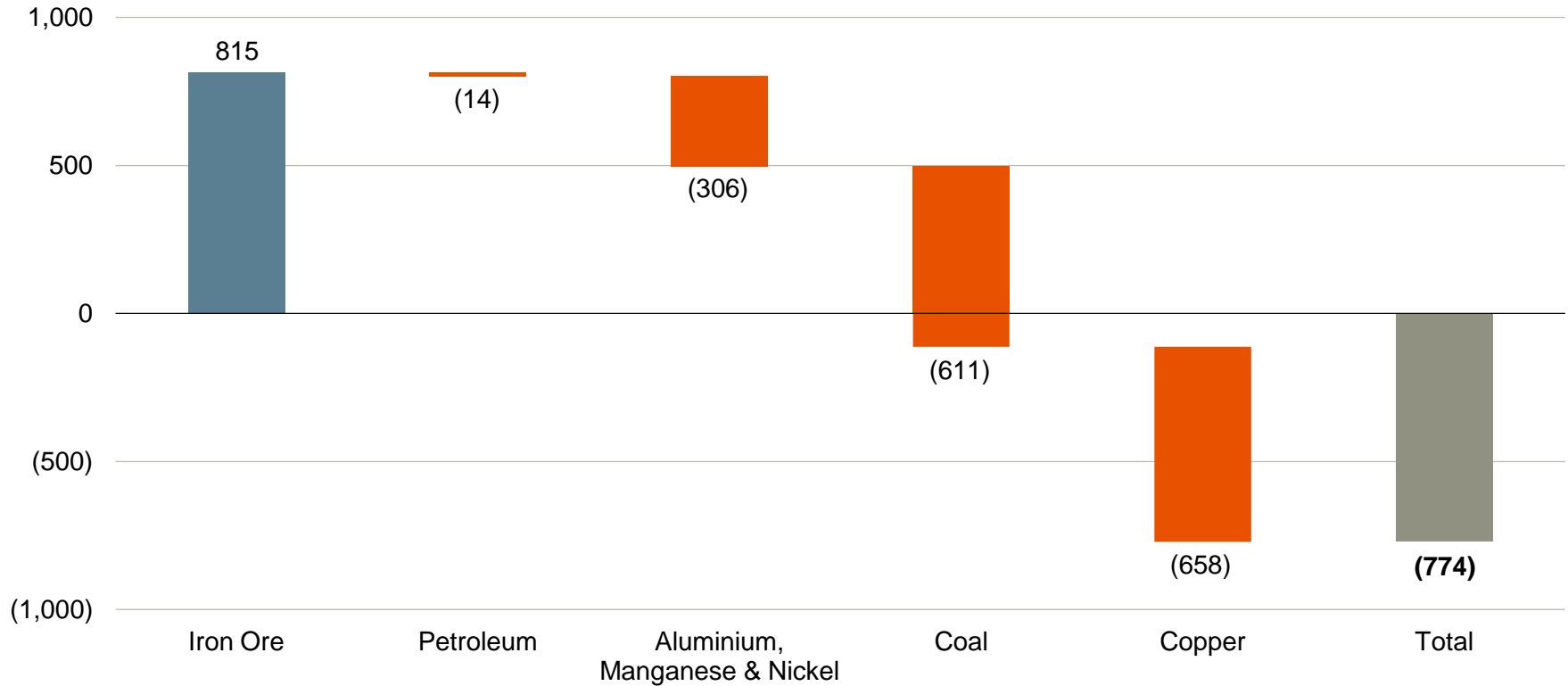


Note: All periods exclude third party trading activities. Calculated on the basis of IFRS 10, IFRS 11 and IFRIC 20 for periods FY13 onwards. Negative margins are not shown as the y-axis is set at zero.

Impact of commodity price movements

Total price variance¹

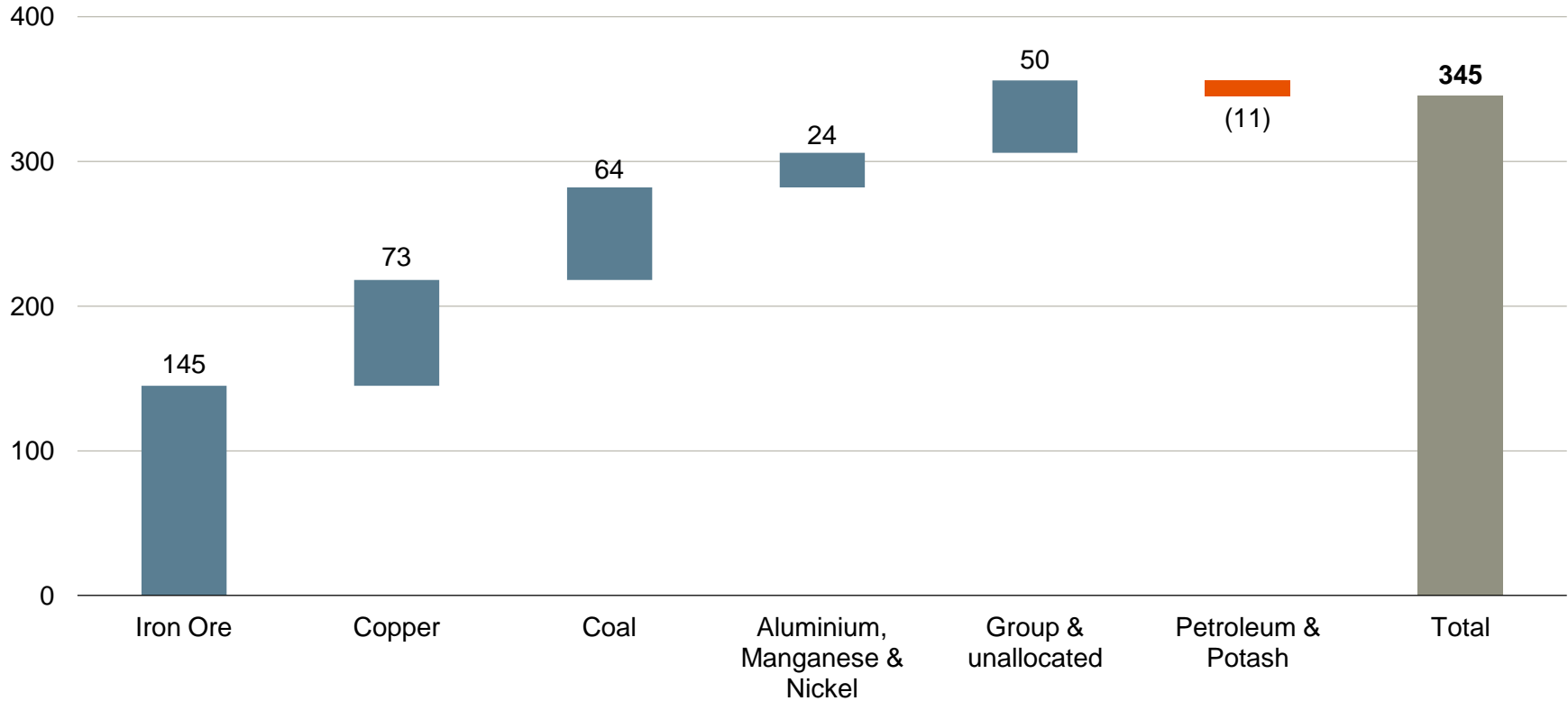
(US\$ million, H1 FY14 versus H1 FY13)



1. Includes impact of price linked costs.

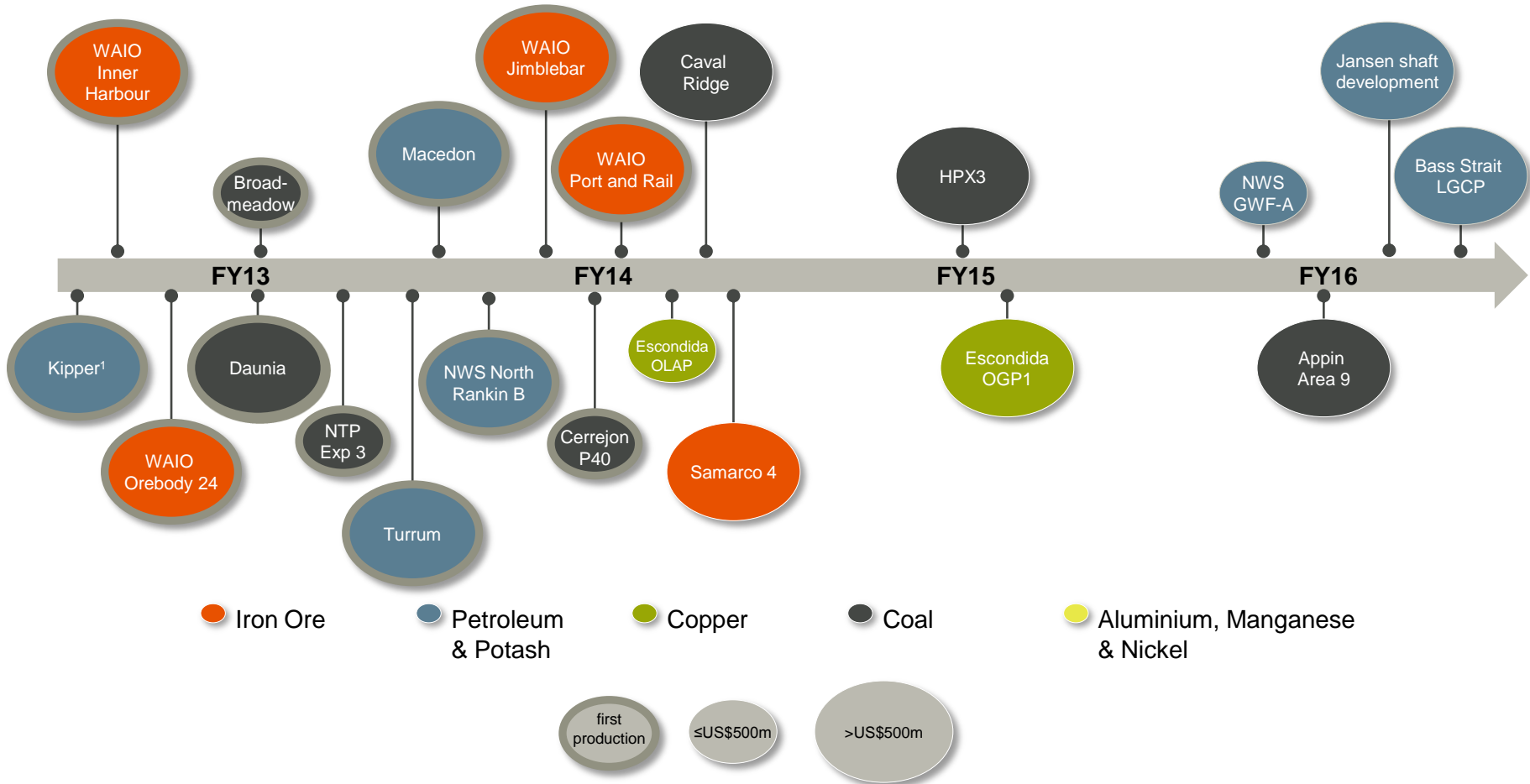
Foreign exchange gain/(loss) on balance sheet monetary items

Foreign exchange gain/(loss) on balance sheet monetary items
(US\$ million)



Note: Difference in exchange variance calculated on Underlying EBIT; excludes exchange impact on net costs.

Our high quality project pipeline

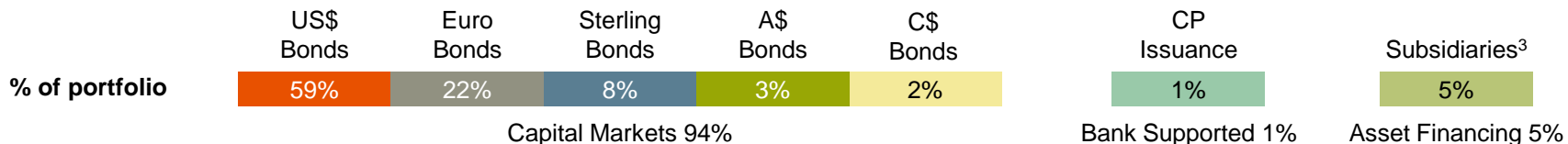
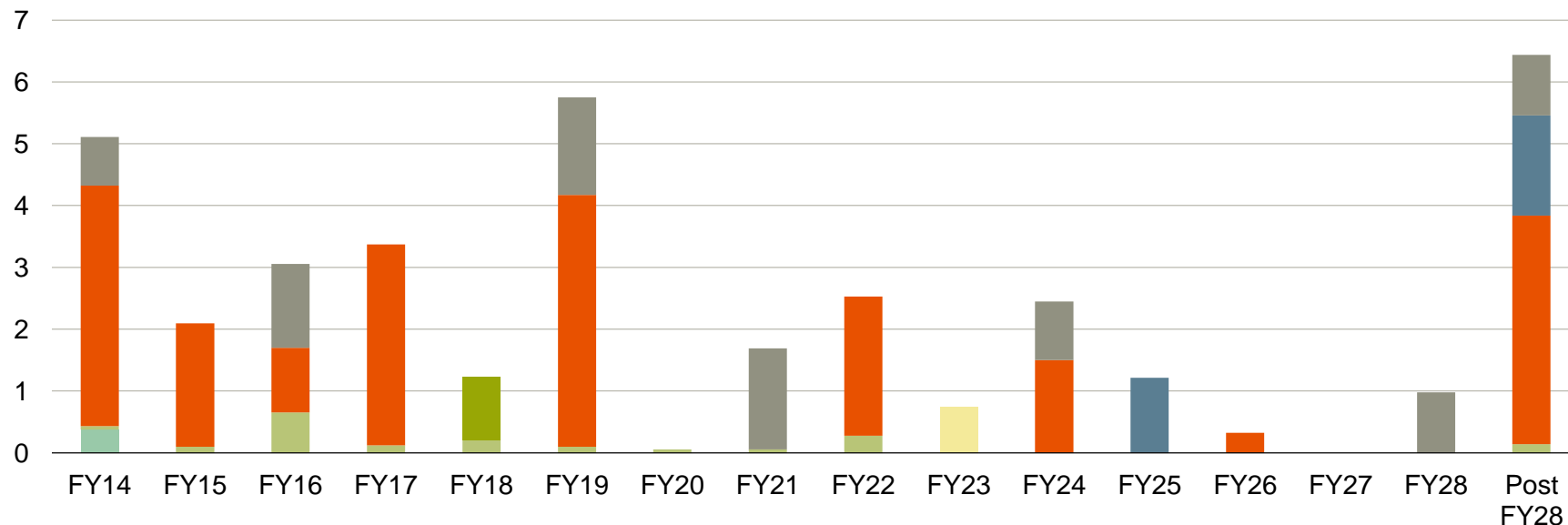


1. Facilities ready for first production pending resolution of mercury content.
 Note: Escondida Water Supply Project will be commissioned in 2017.

Maturity profile analysis

Debt balances¹

(US\$ billion²)



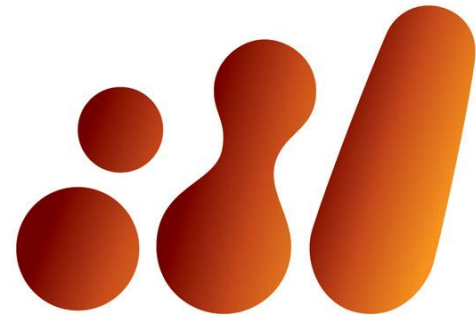
1. Based on debt balances as at 31 December 2013.
 2. All debt balances are represented in notional US\$ values and based on financial years.
 3. Subsidiary debt is presented in accordance with IFRS 10 and IFRS 11.

Key net profit sensitivities

| Approximate impact ¹ on FY14 net profit after tax of changes of | US\$ million |
|--|--------------|
| US\$1/t on iron ore price | 120 |
| US\$1/bbl on oil price | 45 |
| US¢10/MMbtu on US gas price | 25 |
| US\$1/t on metallurgical coal price | 25 |
| US¢1/lb on aluminium price | 25 |
| US¢1/lb on copper price | 25 |
| US\$1/t on energy coal price | 25 |
| US¢1/lb on nickel price | 2 |
| AUD (US¢1/A\$) operations ² | 100 |
| RAND (0.2 Rand/US\$) operations ² | 25 |

1. Assumes total volume exposed to price.

2. Impact based on average exchange rate for the period.



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