

Interim Results – 31 December 2007

6 February 2008

Marius Kloppers Chief Executive Officer

Alex Vanselow Chief Financial Officer



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BHP Billiton results are reported under International Financial Reporting Standards (IFRS). References to Underlying EBIT and Underlying EBITDA exclude any exceptional items. A reconciliation to profit from operations is contained within the profit announcement. All references to dollars are to US dollars and references to EBIT are Underlying EBIT.



Interim Results – 31 December 2007

Marius Kloppers

Chief Executive Officer



Safety

- Injury rates – our 12 month rolling Total Recordable Injury Rate improved by 13 per cent to 6.4
- Our statistical measures are showing an improving trend
- However, improving statistics do not guarantee safety
- Tragically, we had ten fatalities in the past six months
- **Our focus remains on the elimination of fatalities and Zero Harm**

Highlights – Half year ended December 2007

- **Strong operating and financial results**
- **Cost control focus** is yielding excellent results
- **Project delivery** – first production from seven new projects
- Healthy volume growth from new production expected in FY 2008
- A further four projects approved
- **Interim dividend increased 45% to 29 US cents per share**
- **Longer term fundamentals remain strong**





Interim Results – 31 December 2007

Alex Vanselow Chief Financial Officer



Financial highlights

Half year ended December (US\$m)	2007	2006	% Change
Revenue	25,539	22,113	+15
Underlying EBITDA	11,167	10,494	+6
Underlying EBIT	9,623	9,134	+5
Attributable profit (excluding exceptionals)	5,995	6,168	-3
Attributable profit	6,017	6,168	-2
Net operating cash flows	7,870	7,116	+11
EPS (excluding exceptionals) (US cents)	106.8	103.9	+3
Dividends per share (US cents)	29	20	+45

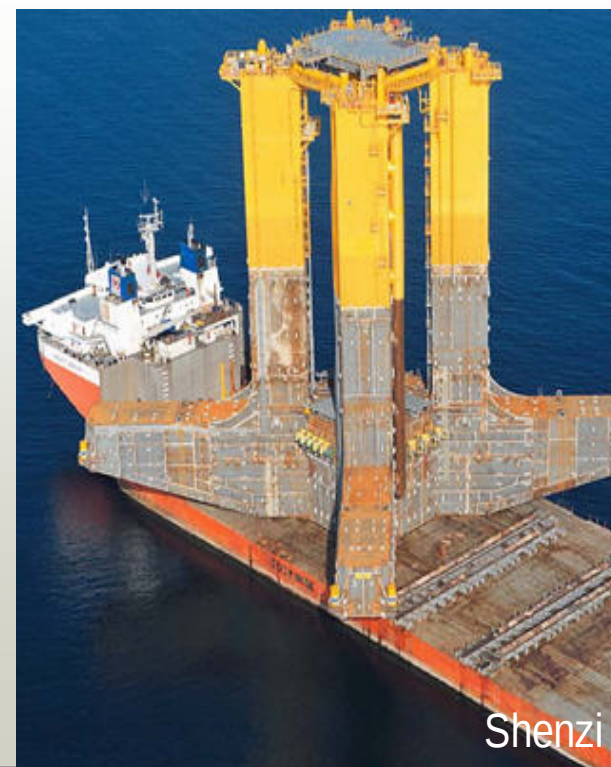
Underlying EBIT by Customer Sector Group

Half year ended December (US\$m)	2007	2006	% Change
Petroleum	1,972	1,612	+22
Aluminium	680	840	-19
Base Metals (including Uranium)	3,367	2,889	+17
Diamonds & Specialty Products	72	78	-8
Stainless Steel Materials	799	1,427	-44
Iron Ore	1,673	1,404	+19
Manganese	431	105	+311
Metallurgical Coal	523	657	-20
Energy Coal	277	242	+15
Group & Unallocated Items ⁽¹⁾	(171)	(120)	
BHP Billiton (Total)	9,623	9,134	+5

Underlying EBIT by Customer Sector Group

Half year ended December (US\$m)	2007	2006	% Change
Petroleum	1,972	1,612	+22.3

- Record half year EBIT
- Record half year production from global continuing operations
- Cash costs flat with comparative half
- Three major new projects on line in first half: Stybarrow, Atlantis and Genghis Khan
- Exploration – successful drilling of Thebe and acreage captured in Gulf of Mexico and Falklands



Underlying EBIT by Customer Sector Group

Half year ended December (US\$m)	2007	2006	% Change
Aluminium • Production at record levels • Softer prices for metals and cost impacted by weaker US\$ • South African power situation will impact metal production	680	840	-19.0
Base Metals • Record copper concentrate production • Contribution of 96,000 tonnes from new projects • Olympic Dam pre-feasibility study progressing well	3,367	2,889	+16.5
Stainless Steel Materials • Production and sales volumes improved second quarter • Ravensthorpe ramping up as expected	799	1,427	-44.0



Mozal



Olympic Dam



Nickel West

Underlying EBIT by Customer Sector Group

Half year ended December (US\$m)	2007	2006	% Change
Iron Ore - Record Half Year EBIT - Record production and shipments - RGP3 commissioned and RGP4 on schedule	1,673	1,404	+19.2
			
Manganese - Record production and shipments - Groote Eylandt expansion approved lifting capacity to 4.2mtpa of ore and concentrate	431	105	+310.5
			
Metallurgical Coal - Record shipments benefiting from expanded Hay Point Terminal - EBIT impacted by lower prices - Severe flooding in Queensland will impact production	523	657	-20.4
			

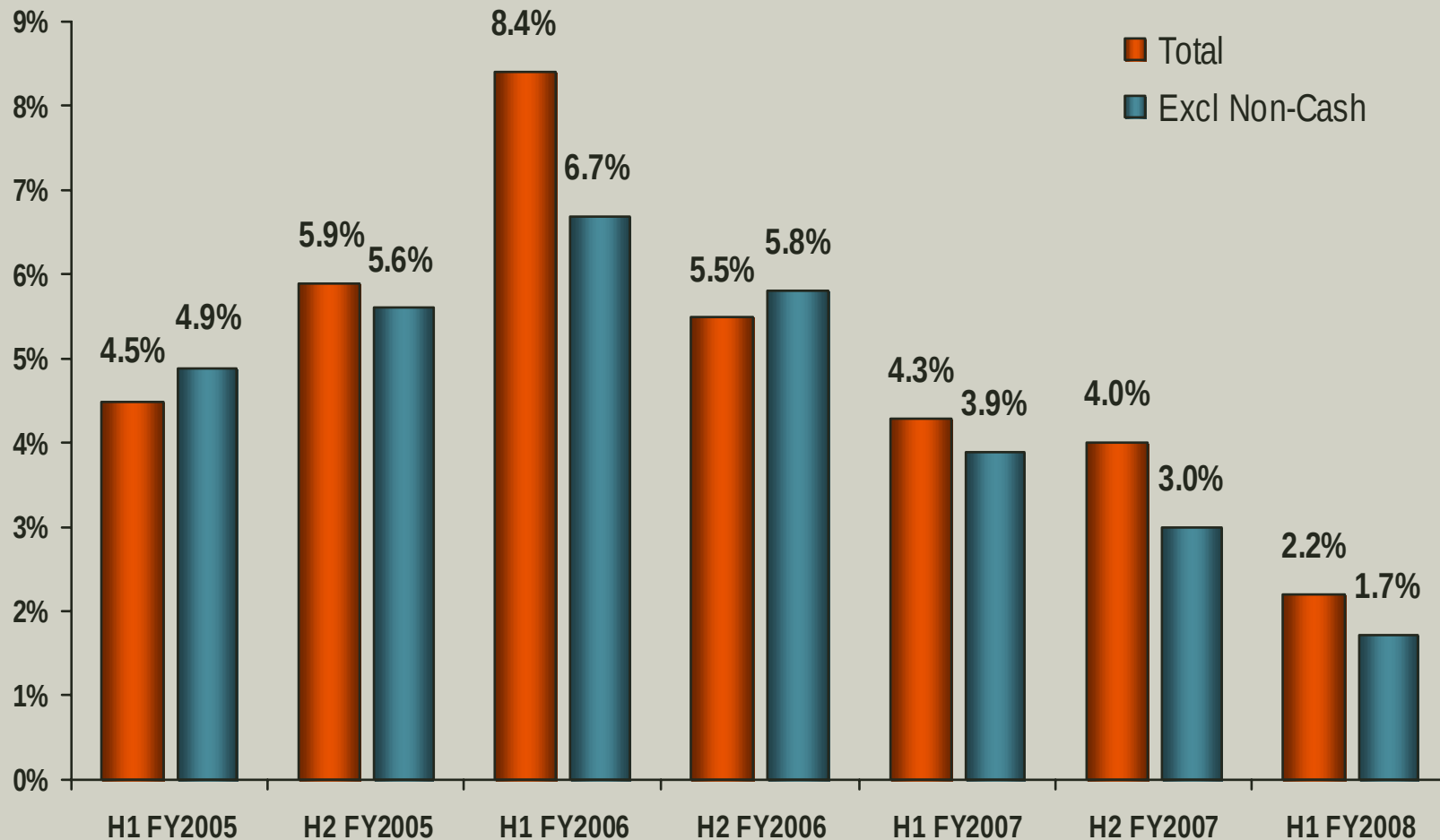
Underlying EBIT by Customer Sector Group

Half year ended December (US\$m)	2007	2006	% Change
Energy Coal - Higher export prices driven by strong demand - Record annual production at Hunter Valley and Cerrejon - Approval of Klipspruit (+1.8mtpa export coal) and Newcastle third port	277	242	+14.5
Diamonds & Specialty Products - Koala Underground completed ahead of schedule and budget - Increased exploration activity on diamond targets in Angola and potash opportunity in Canada	72	78	-7.7



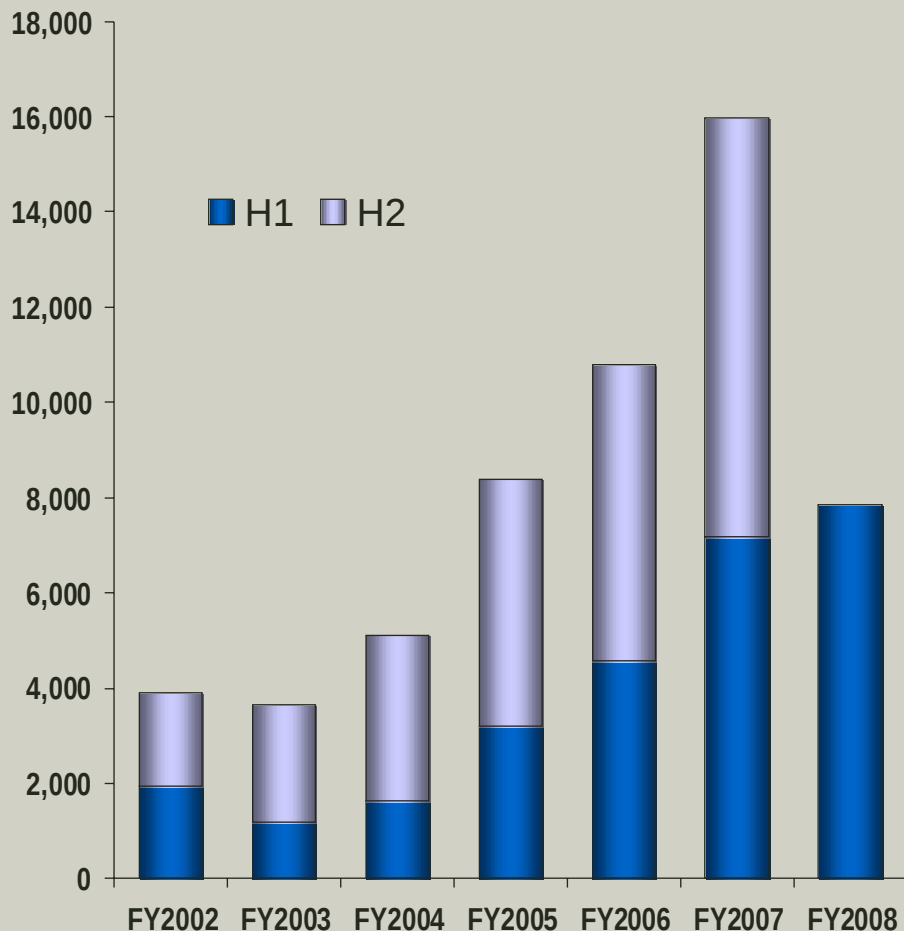
Declining rate of cost increase

Operating cost increase relative to preceding half year

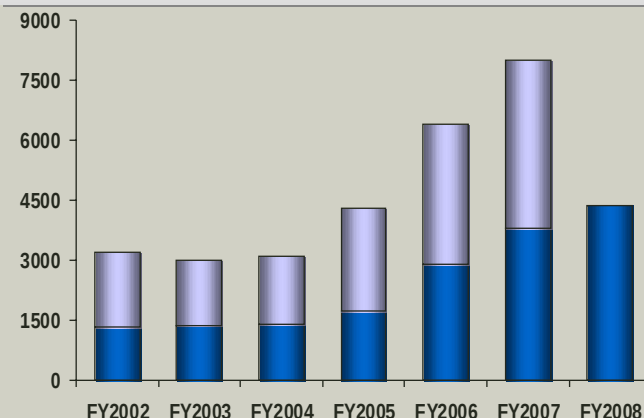


Strong cash flow - delivering value to shareholders

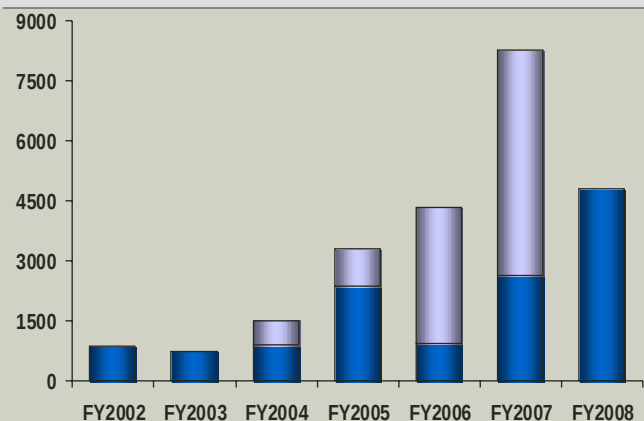
Available Cash Flow (US\$m)



Organic Growth¹ (US\$m)



Return to Shareholders² (US\$m)



- (1) Capital and Exploration FY expenditures (exclude acquisitions).
- (2) Dividends paid and share buy-backs.
- (3) FY2005, FY2006, FY2007 and H1 FY2008 have been calculated on the basis of the IFRS. Prior periods have been calculated on the basis of UKGAAP.



Interim Results – 31 December 2007

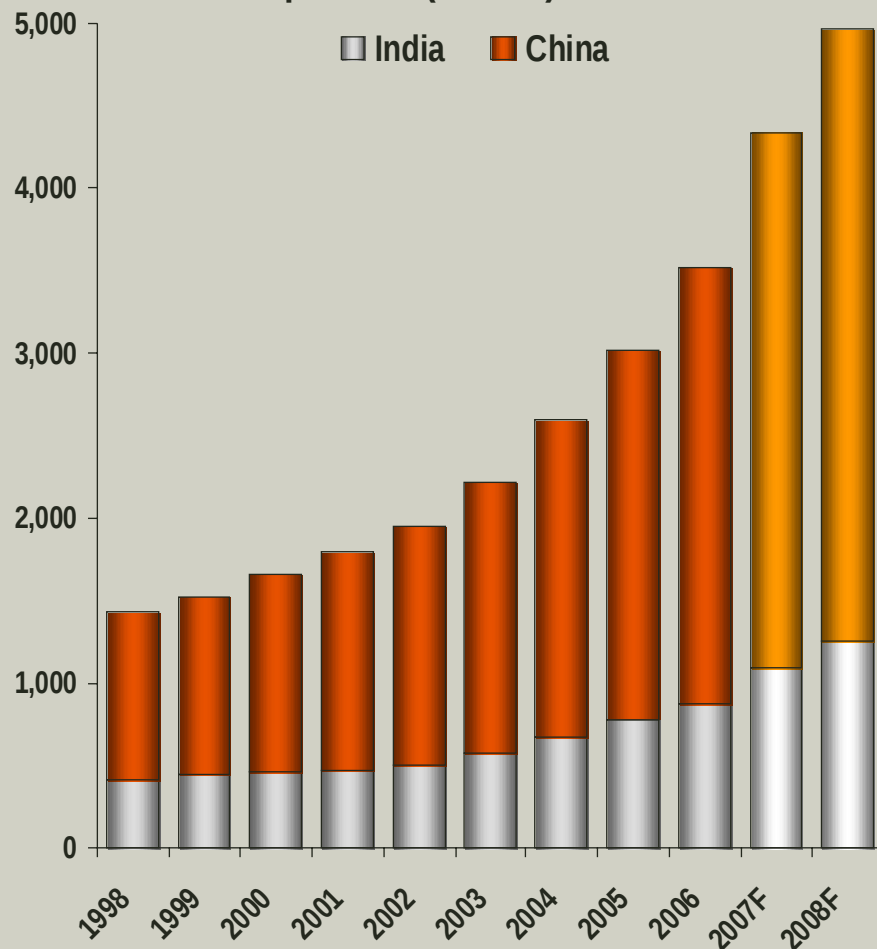
Marius Kloppers

Chief Executive Officer



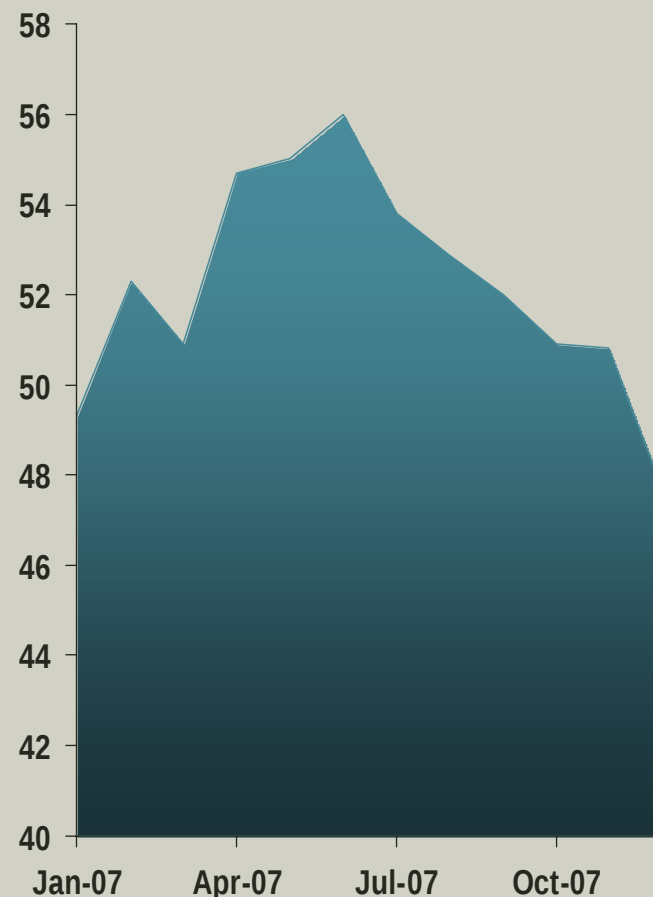
Outlook – long term fundamentals strong, shorter term more fluid

Gross domestic product (US\$bn)



Source: International Monetary Fund

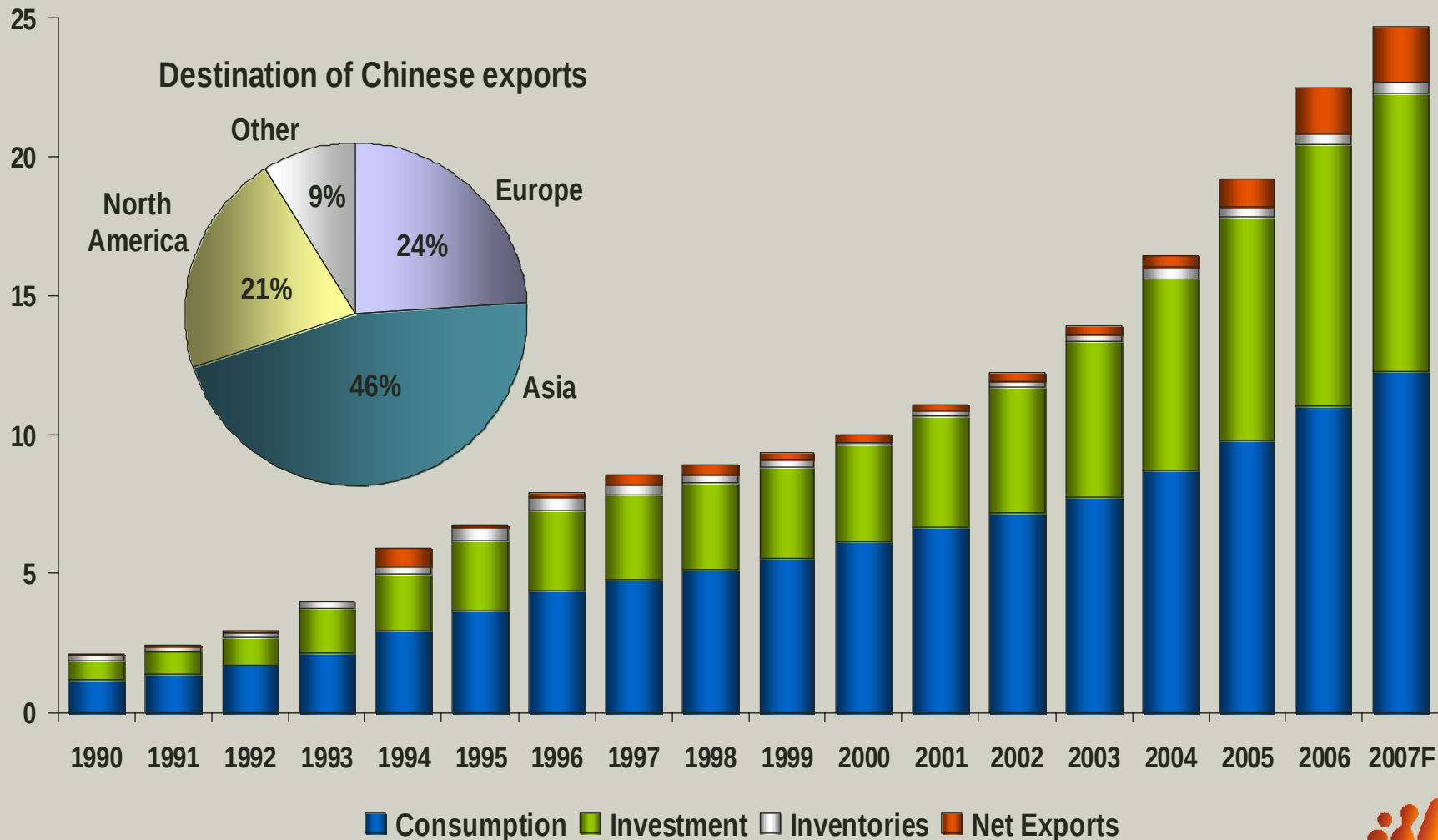
ISM purchasing manufacturers index



Source: Thomson Financial

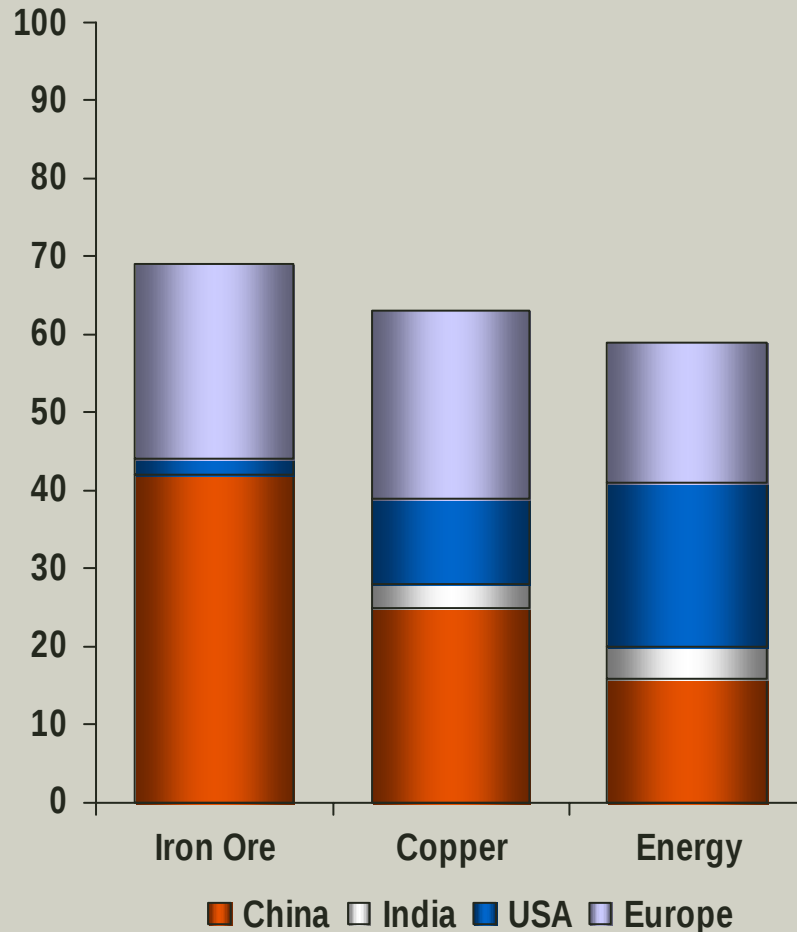
China's growth driven by domestic demand... Asian export markets more important than the US

Composition of Chinese GDP
(RMB trillions)

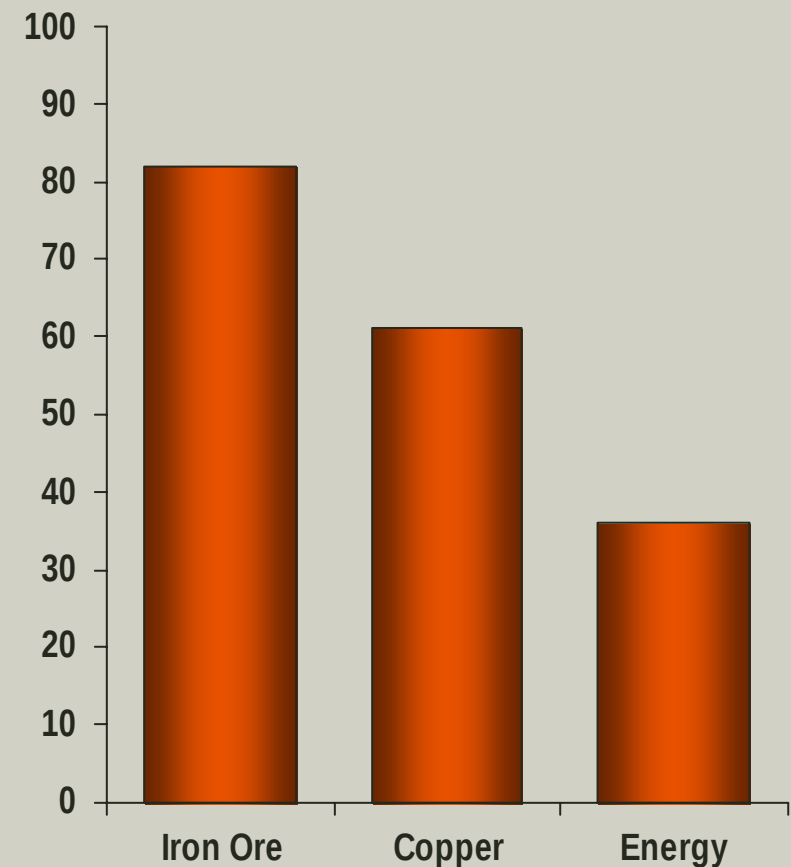


Can Chinese consumption growth offset the shorter term slow down in the US?

Share of Consumption
(2007, %)



China Share of Incremental Demand
(1997-2007, %)



Long term demand remains intact...

Beijing 2008



Tokyo



Beijing 2050



Paris



A track record of project delivery – progress in FY 2008

- **First production**

- Ravensthorpe, RGP3, Pinto Valley, Koala Underground, Genghis Khan, Atlantis South, Stybarrow

- **Progressed to execution**

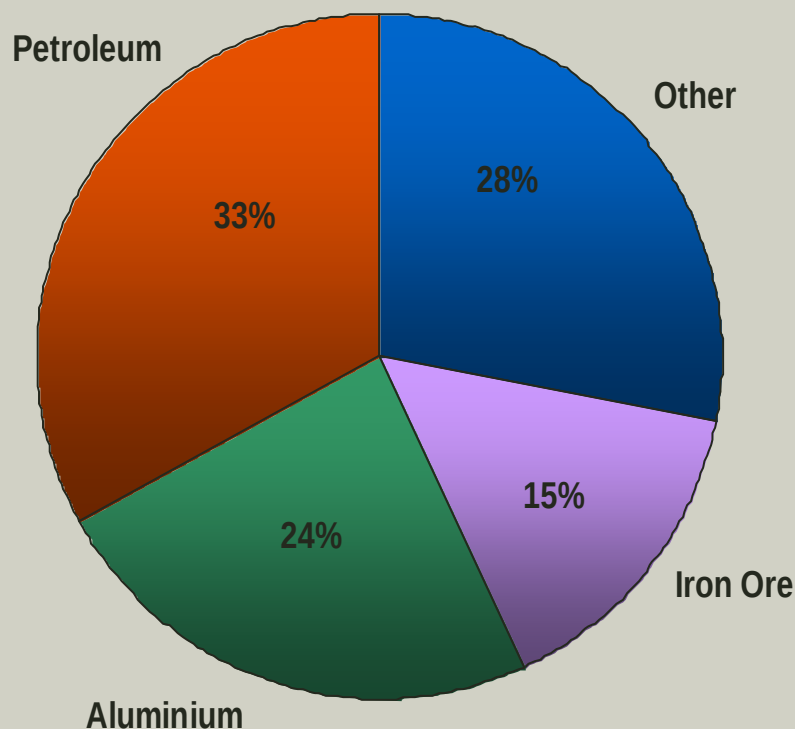
- Newcastle Third Port, GEMCO, Kipper, Klipspruit

- **12 new projects added to future options**

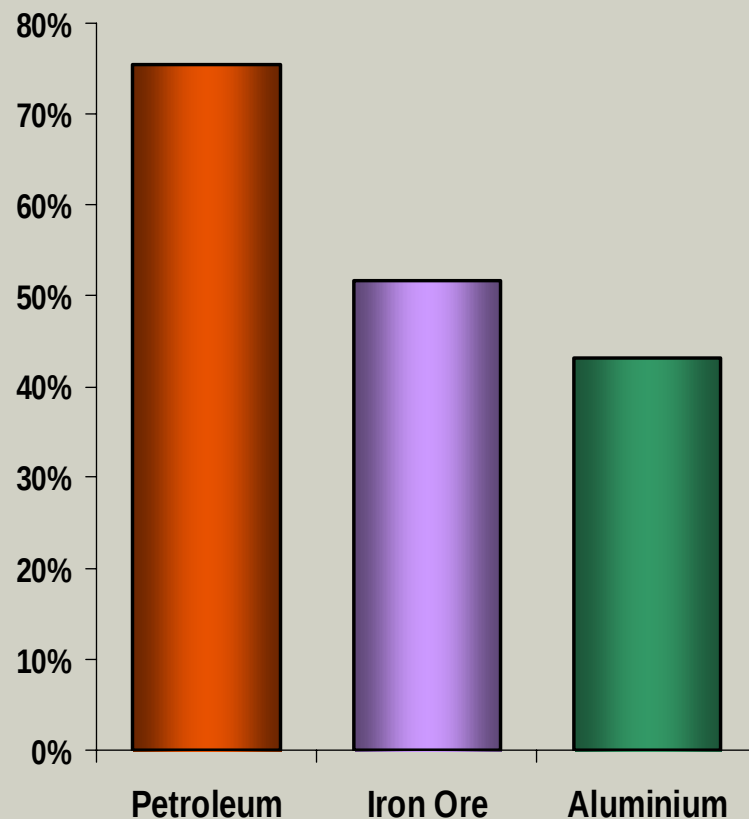


Development spend in high margin businesses

Development pipeline capex
(Total US\$16.1bn)



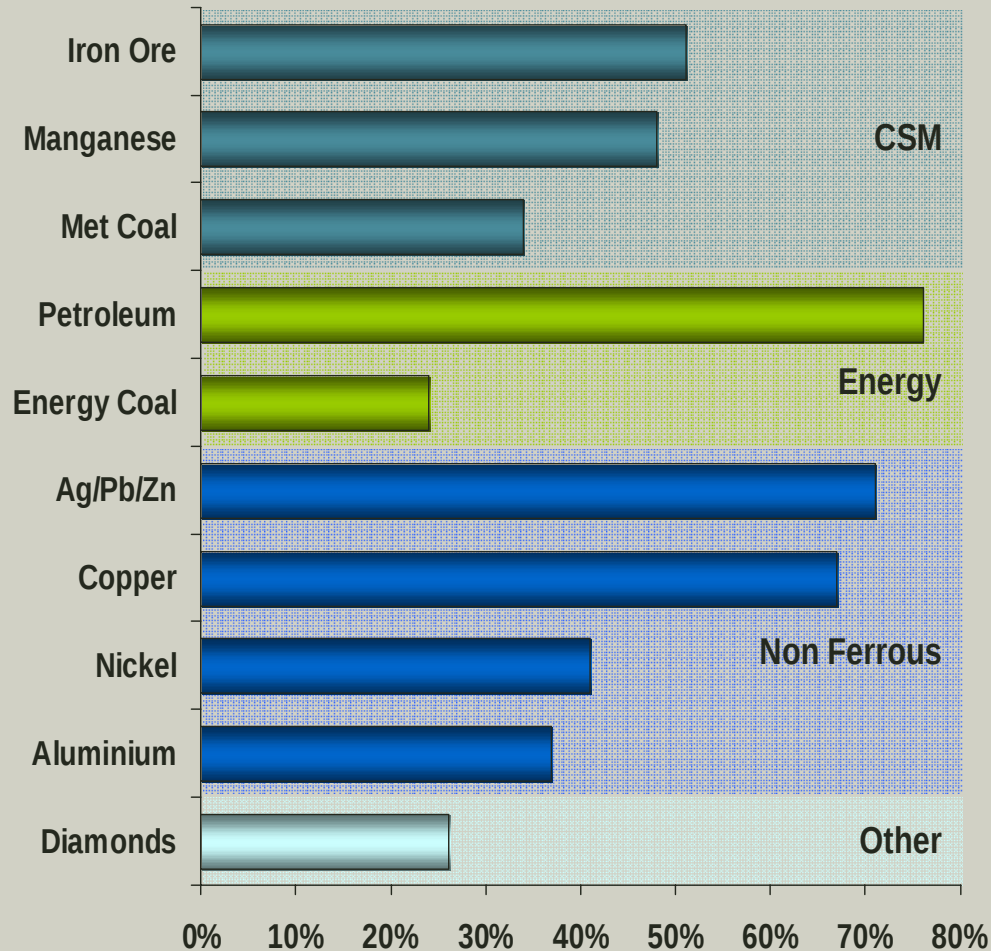
EBITDA margins
(12 months to December 2007)



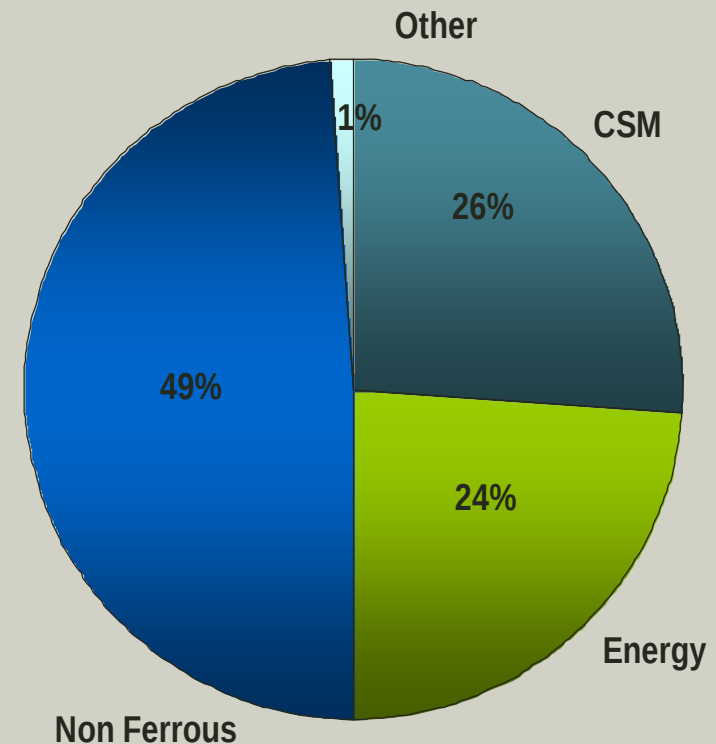
Note: Represents pipeline projects in execution, feasibility does not include pre-feasibility projects.
EBITDA margins for business in 12 months to 31 December 2007 not for individual projects.
EBITDA margin excluded third party trading.
Source: BHP Billiton estimates.

A unique balance across high margin CSM, non ferrous and energy commodities

EBITDA margin H1 FY 2008



EBITDA H1 FY 2008
(Total = US\$11.4bn)



Broad exposure to carbon steel sector demand

Iron Ore is an important part of the mix

- Geographic proximity to the growing Asian market
- Record H1 production and shipments
- Plans underway to expand WAIO to 300mtpa by 2015

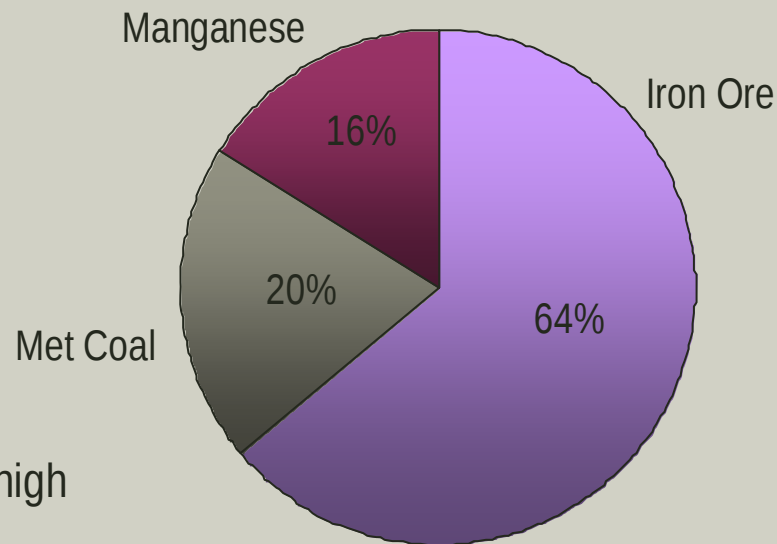
But so is Metallurgical coal

- Leading position in the seaborne market
- 100% BMA owned Hay Point limits impact of infrastructure constraints
- Significant growth options

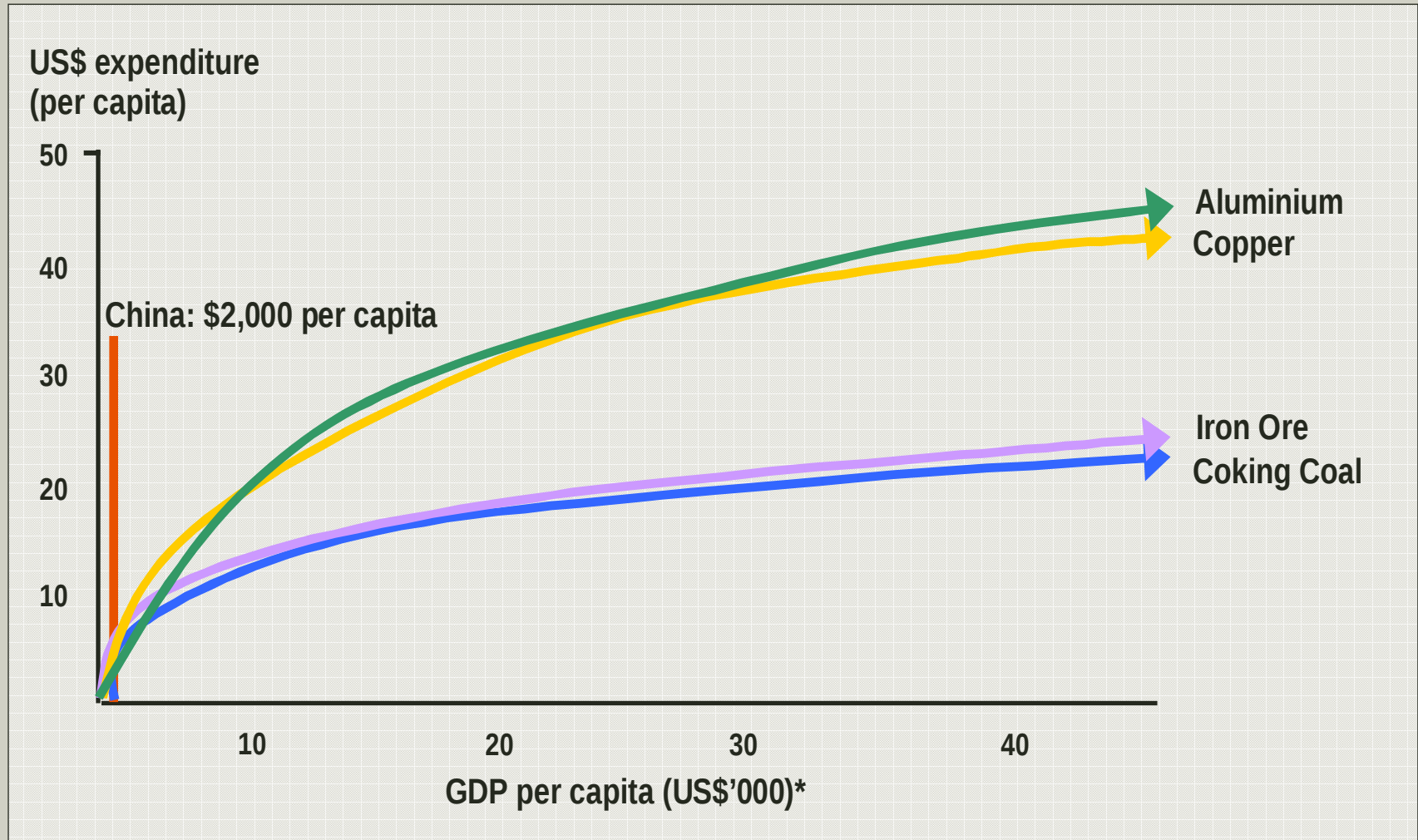
And Manganese is a significant contributor

- Largest supplier of seaborne manganese ore from high quality resource base
- Manganese ore and alloy assets operating at record production levels in a strong demand environment

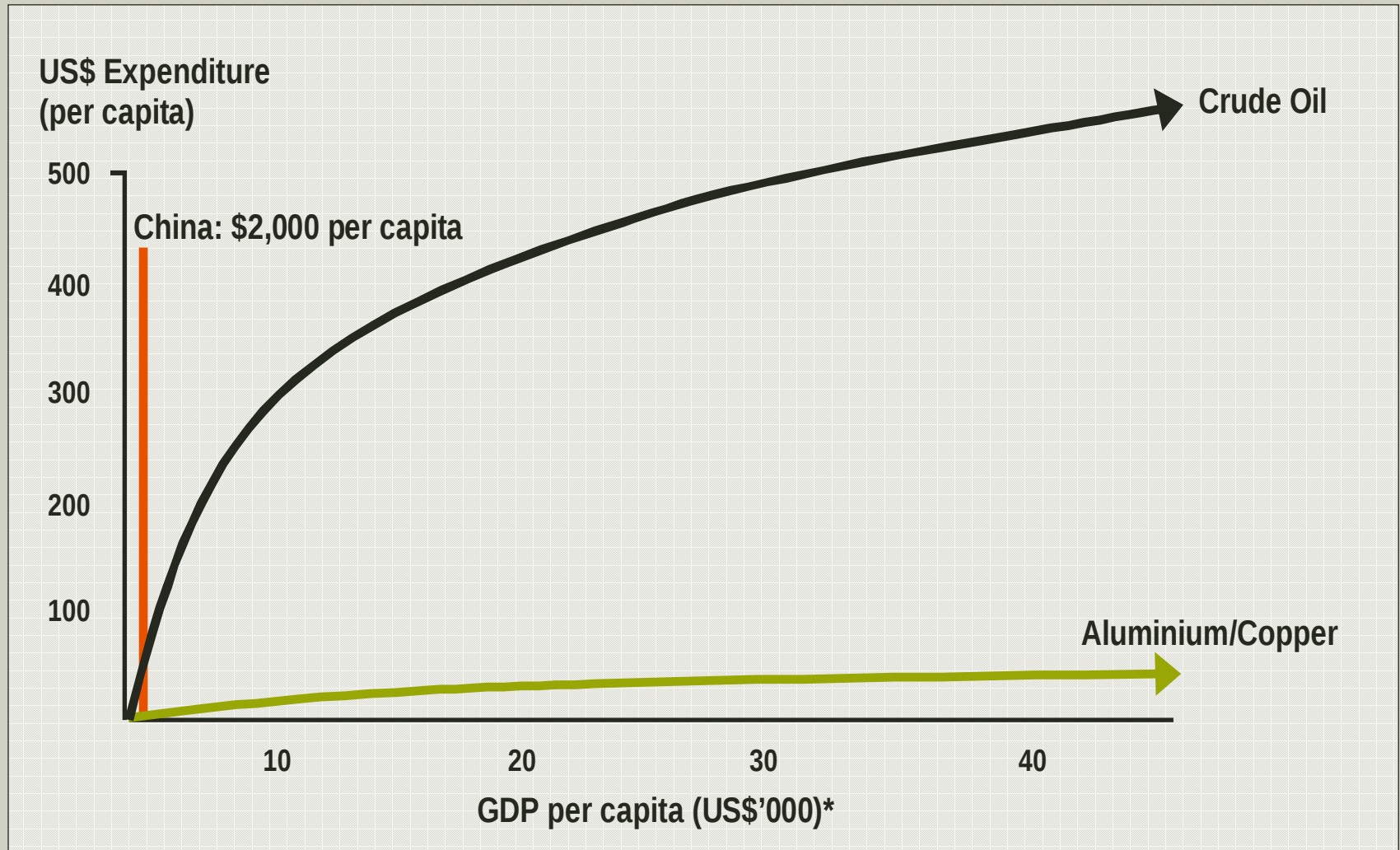
**Total Carbon Steel Sector H1 FY 2008
EBIT
(Total = US\$2.6bn)**



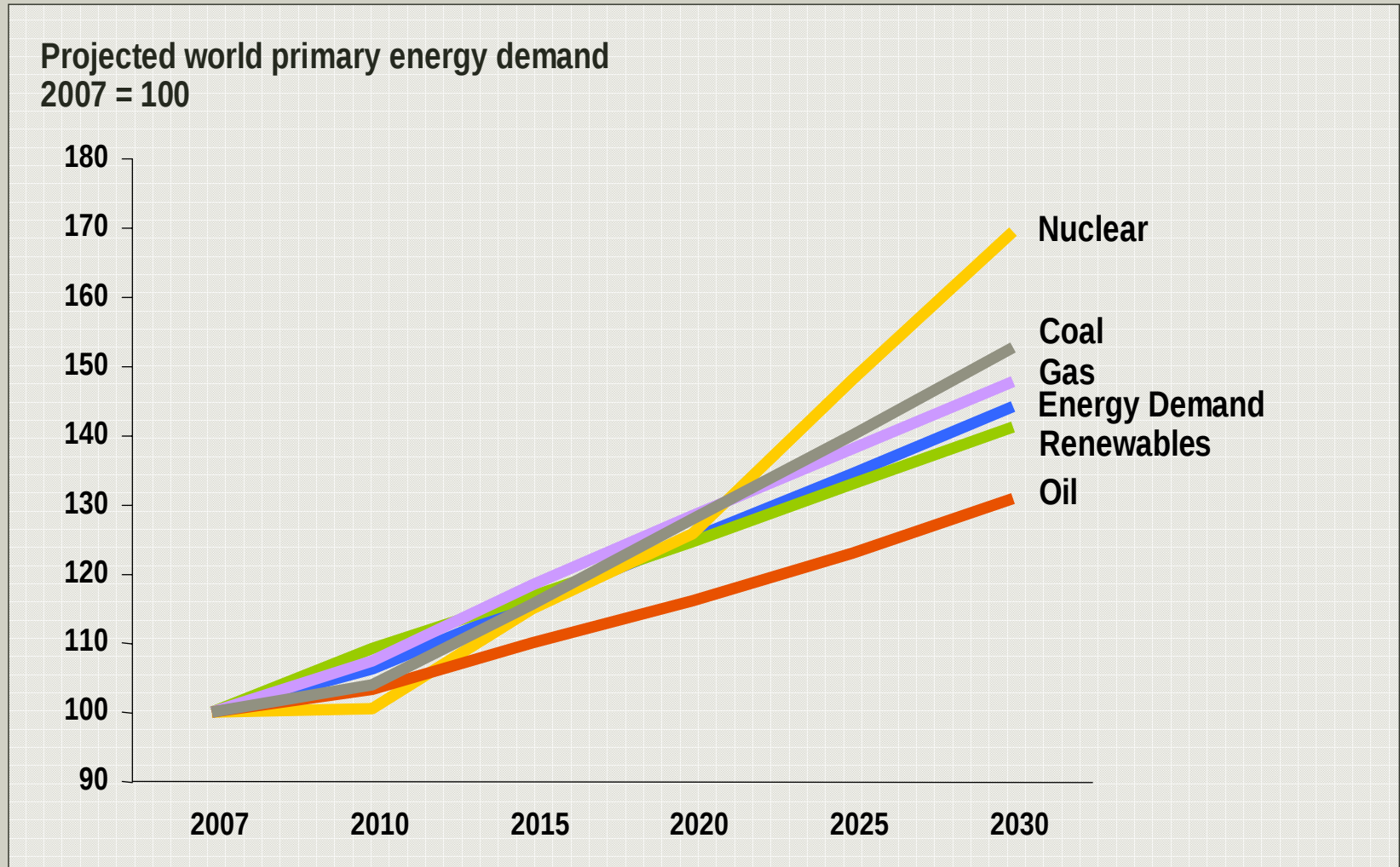
Developing world metals demand to show significant growth



But, the dollar value of oil intensity per capita is 10 times that of non ferrous metals



Well positioned to meet energy demand regardless of fuel mix



Summary

- Continued excellent operating and financial results
- Unique portfolio balance provides stability
- Project pipeline and global footprint to support future growth
- Longer term outlook for global growth remains robust





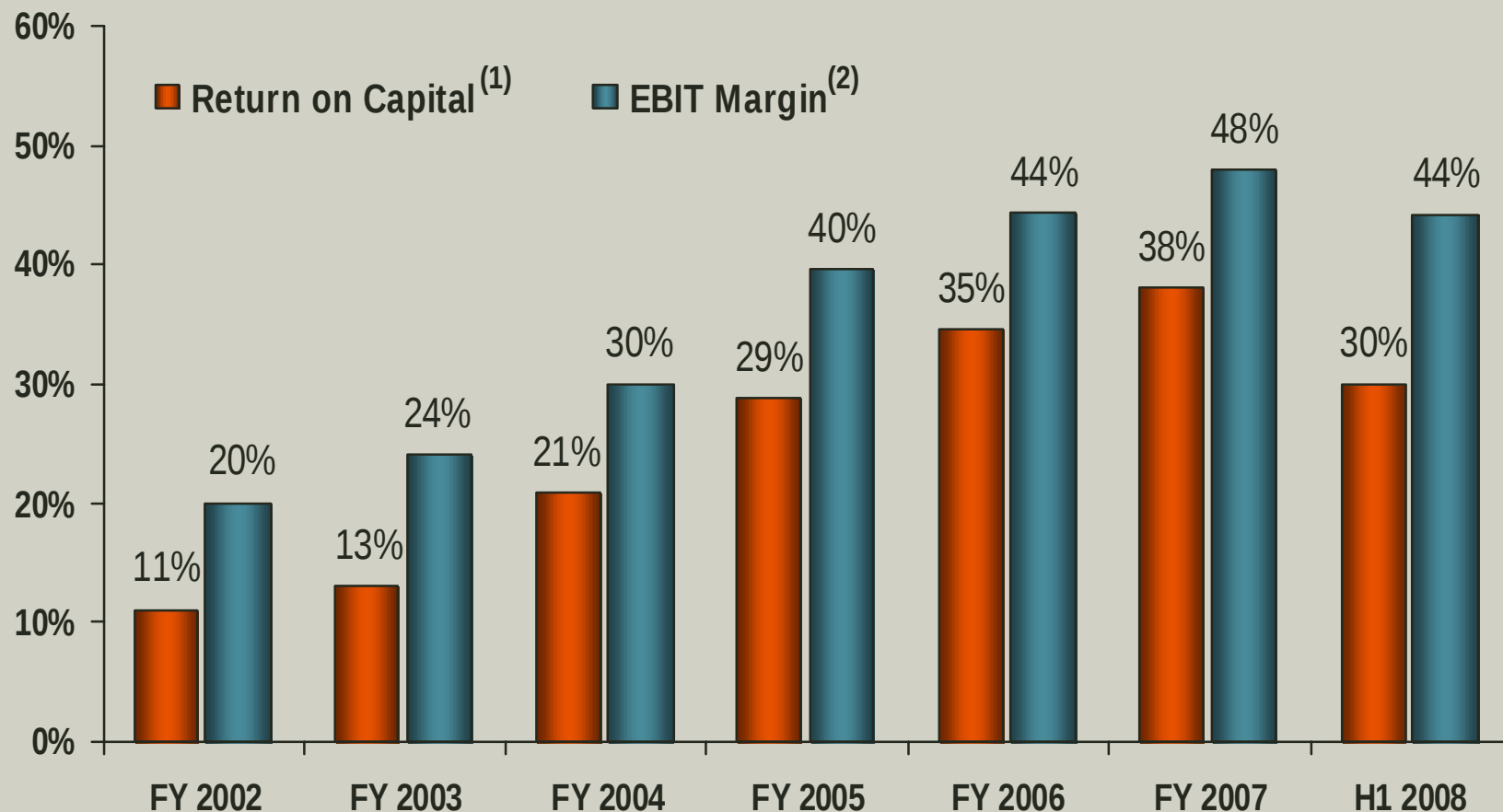
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Appendix



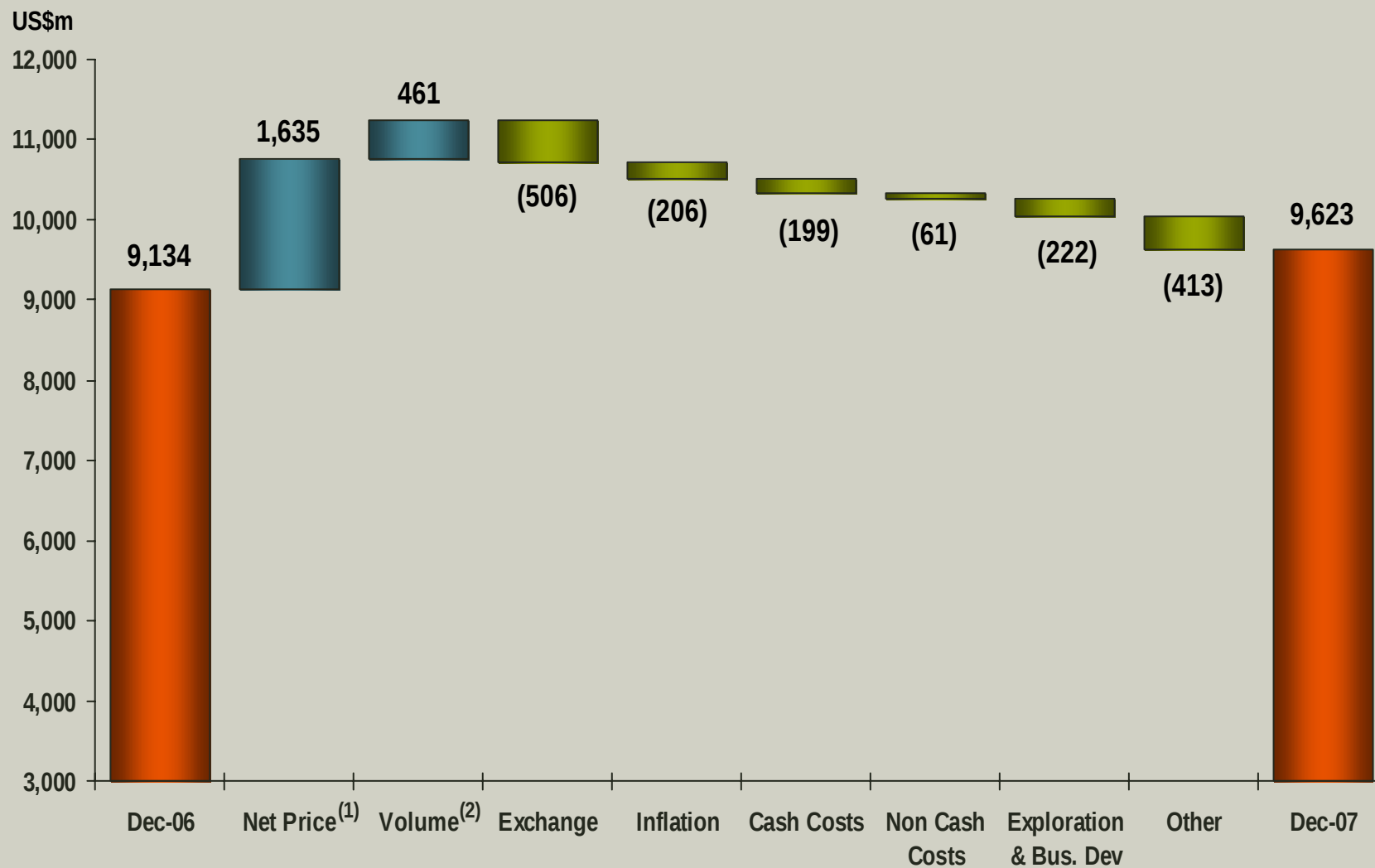
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Return on capital and margins



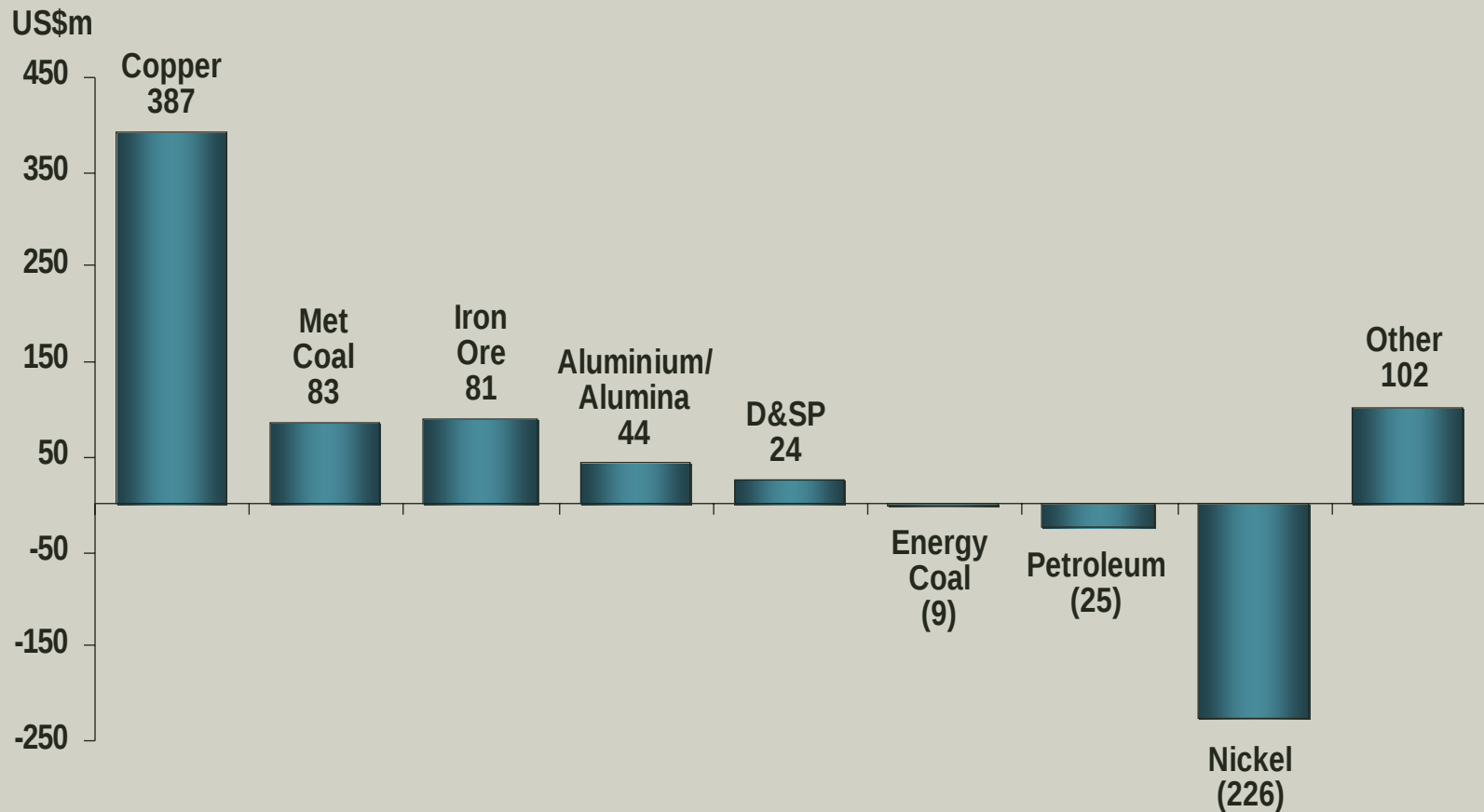
Underlying EBIT analysis

Half year ended Dec 2007 vs Dec 2006



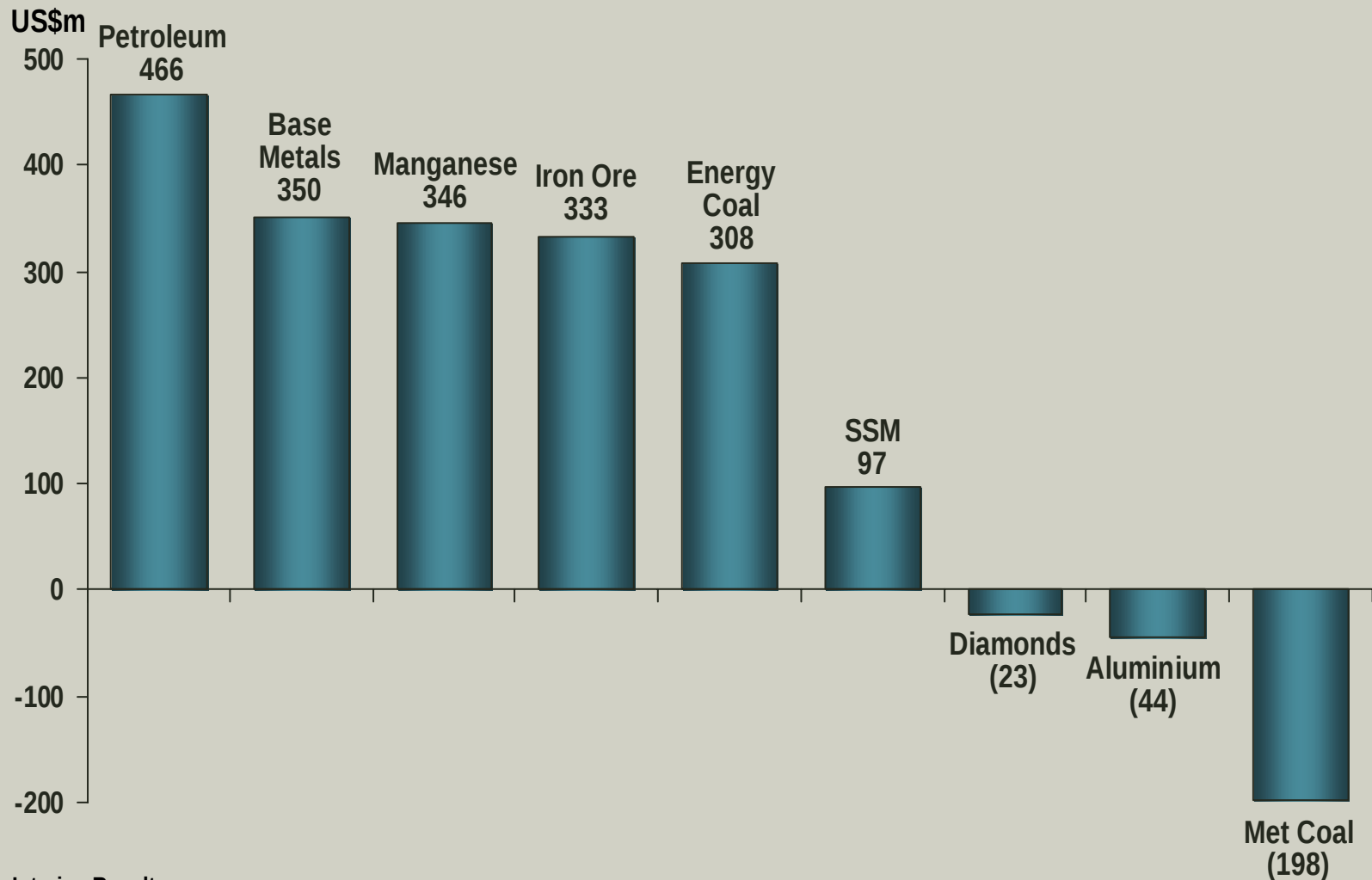
Impact of major volume changes Half year ended Dec 2007 vs Dec 2006

Total volume⁽¹⁾ variance US\$461 million



Impact of major commodity price Half year ended Dec 2007 vs Dec 2006

Total price variance US\$1,635 million⁽¹⁾



Interim Results

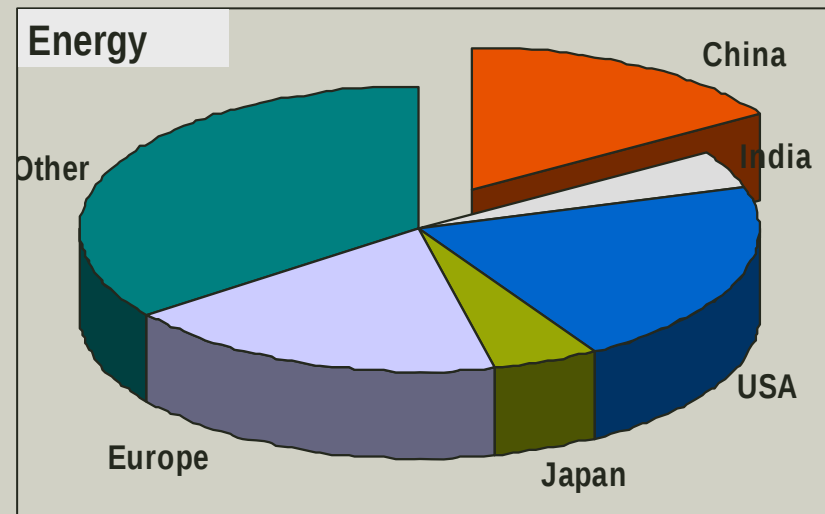
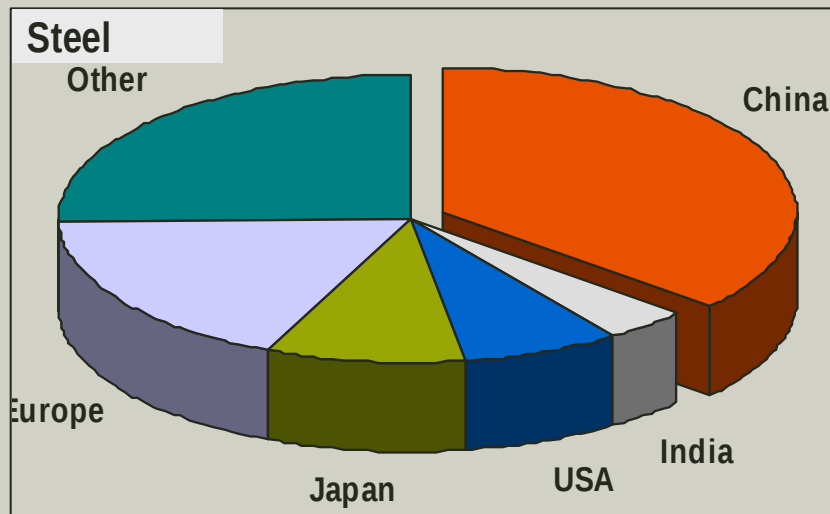
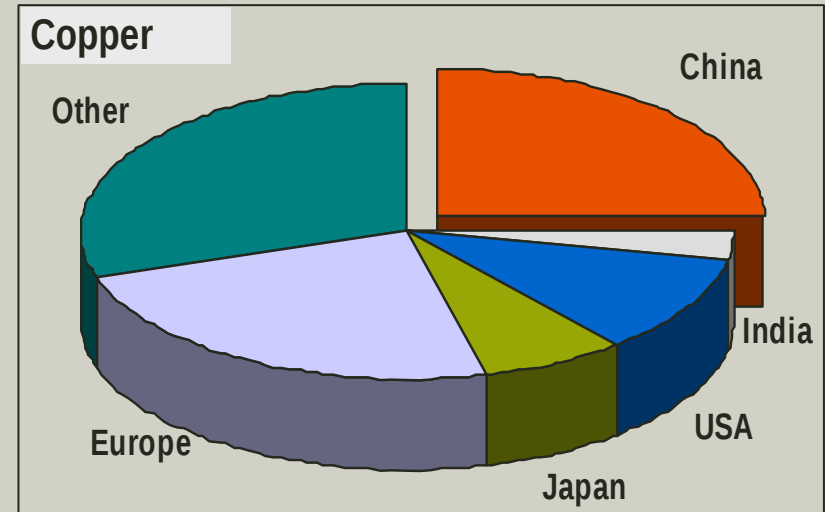
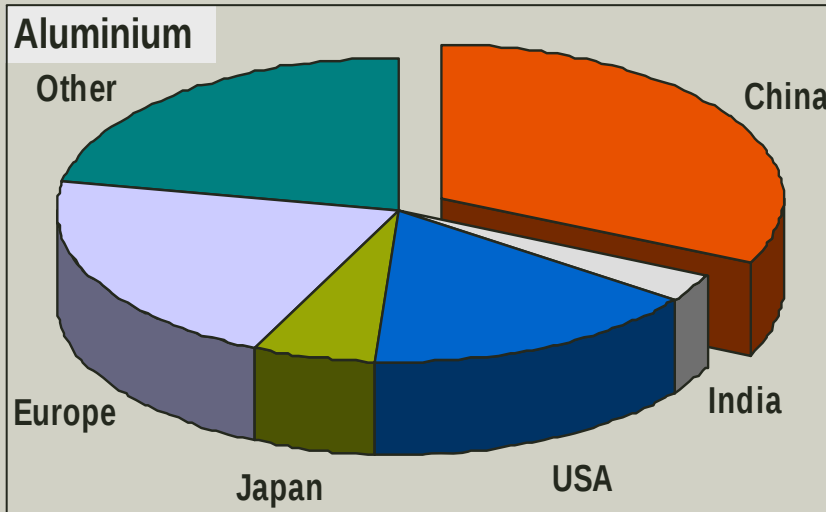
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(1) Including \$154m of price-linked costs impact.

Cash flow

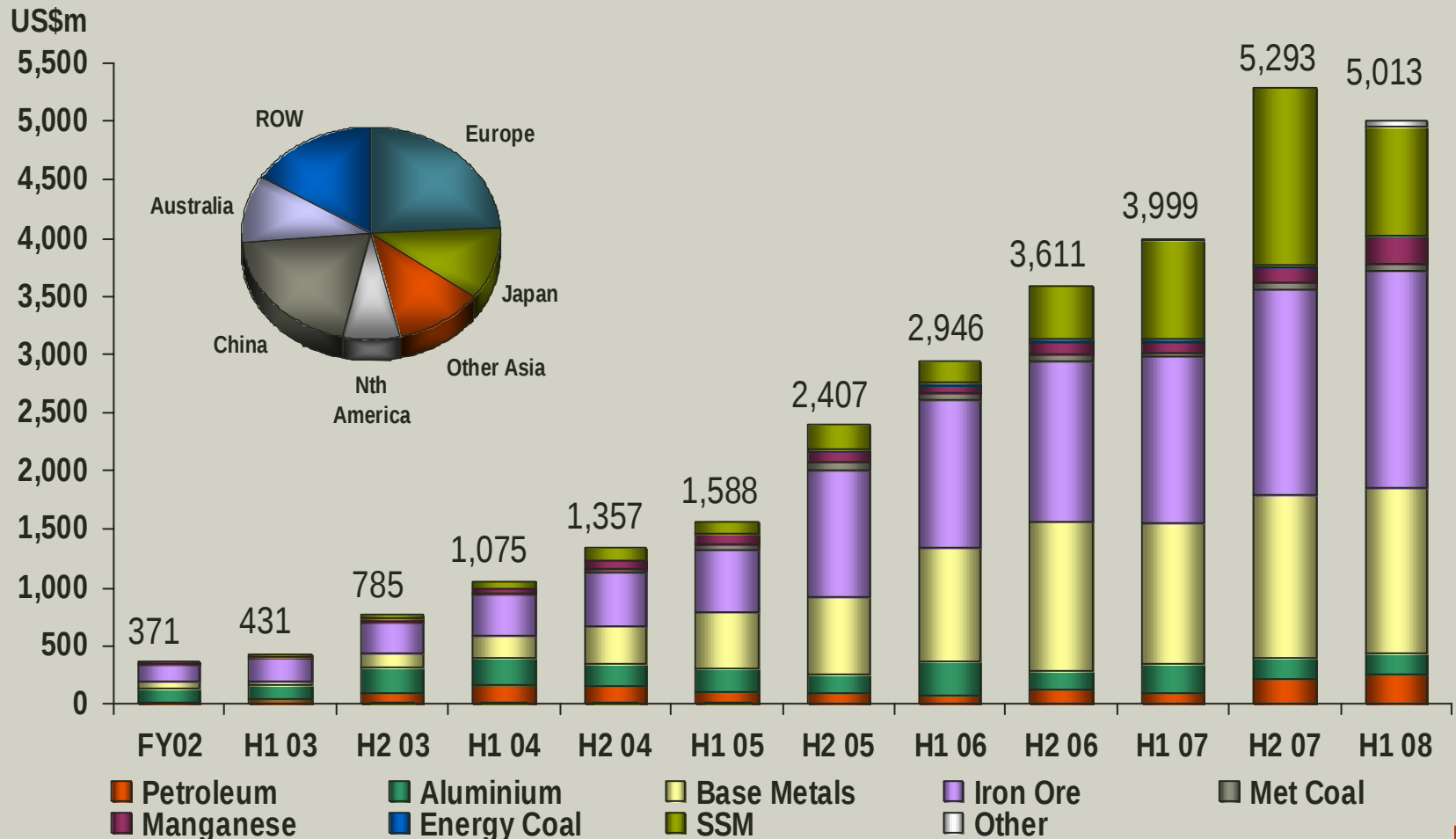
Half year ended December (US\$m)	2007	2006
Operating cash flow and dividends ⁽¹⁾	11,600	10,188
Net interest paid	(313)	(231)
Tax paid ⁽²⁾	(3,417)	(2,841)
Net operating cash flow	7,870	7,116
Capital expenditure	(3,753)	(3,466)
Exploration expenditure	(598)	(312)
Purchases of investments	(153)	(31)
Proceeds from sale of fixed assets & investments	134	298
Net cash flow before dividends and funding	3,500	3,605
Dividends paid ⁽³⁾	(1,571)	(1,122)
Net cash flow before funding & buy-backs	1,929	2,483

Global commodity and energy consumption – China is the world's largest consumer of key raw materials

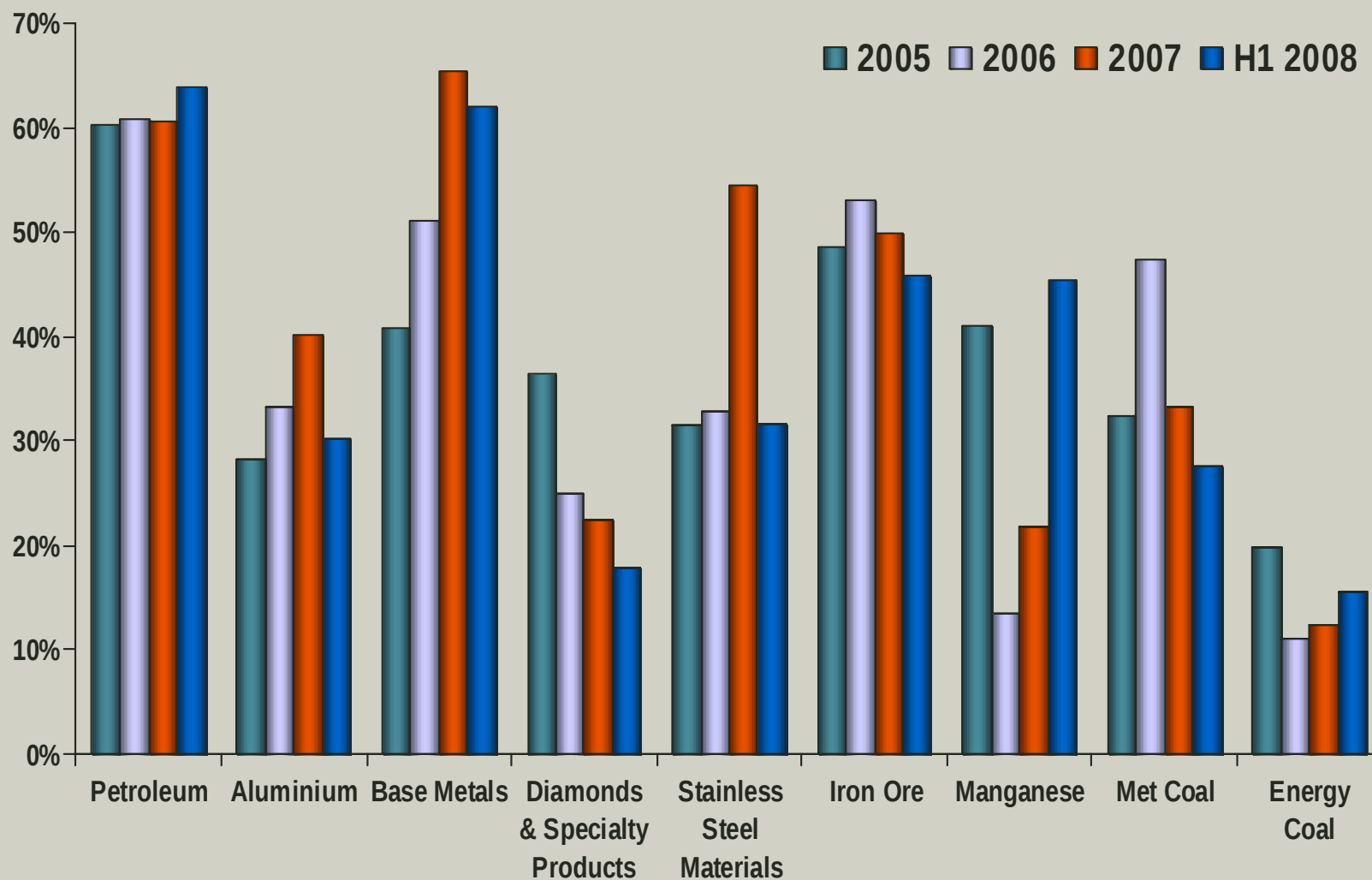


China

- Diversification remains for sales into China
- Currently 20% of total company revenues



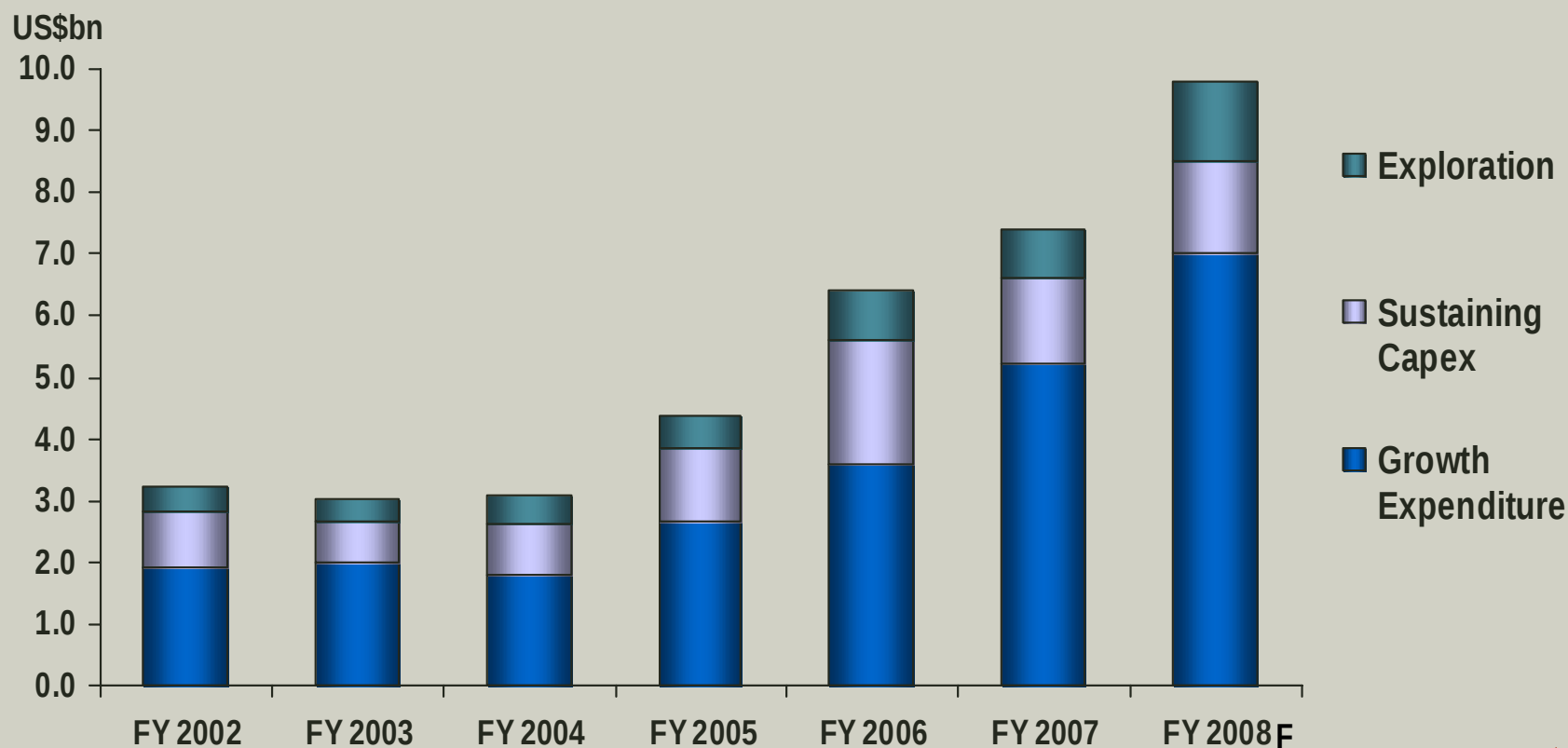
EBIT margin⁽¹⁾ by Customer Sector Group



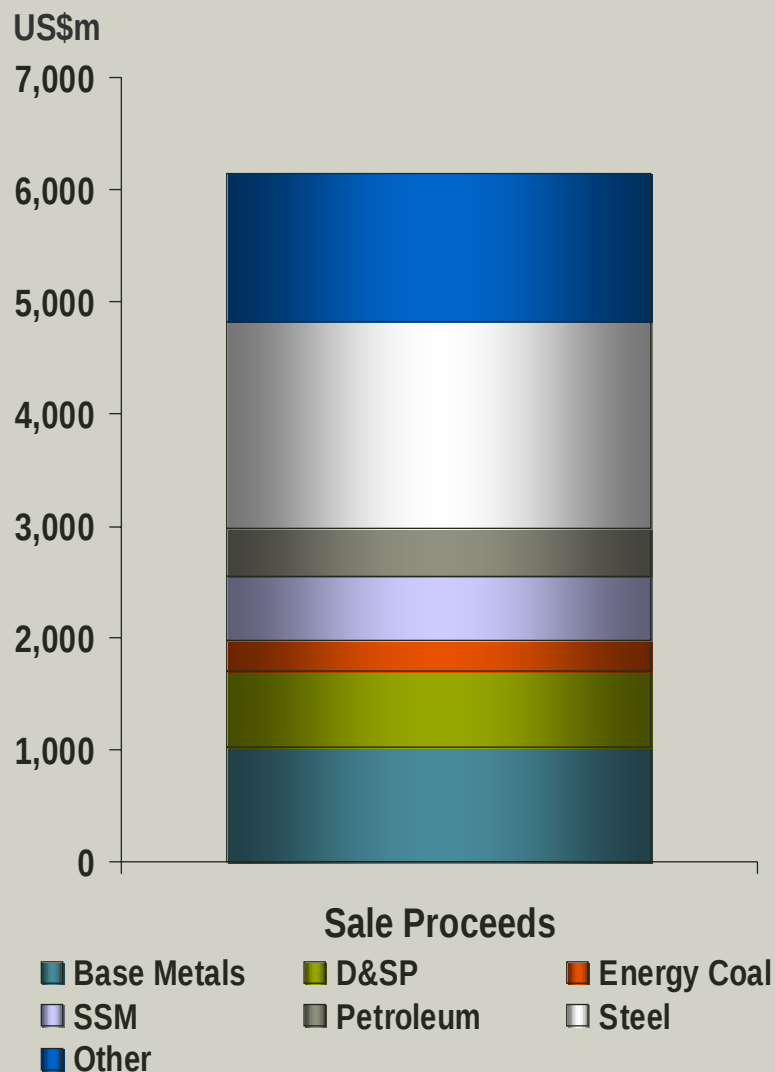
Capital & exploration expenditure

US\$ Billion	2002	2003	2004	2005	2006	2007	2008F
Growth	1.9	2.0	1.8	2.6	4.2	5.2	7.1
Sustaining & Other	0.9	0.7	0.8	1.2	1.4	1.4	1.5
Exploration ⁽¹⁾	0.4	0.3	0.5	0.5	0.8	0.8	1.3
Total	3.2	3.0	3.1	4.3	6.4	7.4	9.9

(1) 2008 Forecast includes US\$600m for Petroleum



Portfolio management – US\$6.1bn of disposals



Proceeds from sale of assets	US\$m
Dec 2007	139
FY 2007	444
FY 2006	934
FY 2005	1,035
FY 2004	277
FY 2003 ⁽¹⁾	2,472
FY 2002	845
Total proceeds	6,146

(1) Includes BHP Steel demerger and BHP Steel loans (net of cash disposed and costs)

Key net profit sensitivities

Approximate impact⁽¹⁾ on FY 2008 net profit after tax of changes of: (US\$m)

US\$1/t on iron ore price	60
US\$1/bbl on oil price	30
US\$1/t on metallurgical coal price	25
USc1/lb on aluminium price	25
USc1/lb on copper price	25
US\$1/t on energy coal price	25
USc1/lb on nickel price	2
AUD (USc1/A\$) Operations ⁽²⁾	65
RAND (0.2 Rand/US\$) Operations ⁽²⁾	35

Sanctioned development projects (US\$9.6bn)

Minerals Projects	Commodity	Share of Approved Capex US\$m	Initial Production Target Date	Production Capacity (100%)	Progress
Alumar Refinery Expansion (Brazil) – 36%	Alumina	725	Q2 CY09	2 million tpa	On time and budget.
Western Australia Iron Ore RGP 4 (Australia) – 86.2%	Iron Ore	1,850	H1 CY10	Increase system capacity to 155 million tpa	On time and budget.
Samarco Third Pellet Plant (Brazil) – 50%	Iron Ore	590	H1 CY08	7.6 million tpa	On time and budget.
GEMCO (Australia) – 60 %	Mn Ore	110	H1 CY09	Additional 1 million tpa manganese concentrate	Sanctioned
Klipspruit – 100%	Energy Coal	450	H2 CY09	Incremental 1.8 million tpa export coal Incremental 2.1 million tpa domestic	Sanctioned
Newcastle Third Port (Australia) – 35.5%	Energy Coal	390	End CY10	Third coal berth capable of handling an estimated 30 million tpa	Sanctioned

Sanctioned development projects (US\$9.6bn) cont.

Minerals Projects (cont'd)	Commodity	Share of Approved Capex US\$m	Initial Production Target Date	Production Capacity (100%)	Progress
Yabulu (Australia) – 100%	Nickel	556	Q1 CY08	45,000 tpa nickel	On revised schedule and budget
Cliffs (Australia) – 100%	Nickel	139	H1 CY08	360,000 tpa nickel ore	On time and budget.

Petroleum Projects	Commodity	Share of Approved Capex US\$m	Initial Production Target Date	Production Capacity (100%)	Progress
Zamzama Phase 2 (Pakistan) – 38.5%	Gas	46	H1 CY08	150 million cubic feet gas per day	On revised schedule and budget
Neptune (US) – 35%	Oil/Gas	405	Q1 CY08	50,000 barrels and 50 million cubic feet gas per day	On time and budget.
North West Shelf 5th Train (Australia) – 16.67%	LNG	350	Late CY08	LNG processing capacity 4.2 million tpa	On time and budget.

Sanctioned development projects (US\$9.6bn) cont.

Petroleum Projects (cont'd)	Commodity	Share of Approved Capex US\$m	Initial Production Target Date	Production Capacity (100%)	Progress
North West Shelf Angel (Australia) – 16.67%	Oil/Gas	200	End CY08	800 million cubic feet gas per day and 50,000 bpd condensate	On time and budget.
Shenzi (US) – 44%	Oil/gas	1,940	Mid CY09	100,000 barrels and 50 million cubic feet of gas per day	On time and budget.
Atlantis North (US) – 44%	Oil/Gas	100	H2 CY09	Tie-back to Atlantis South	On time and budget.
Pyrenees (Australia) – 71.43%	Oil/Gas	1,200	H1 CY10	96,000 barrels of oil and 60 million cubic feet gas per day	On time and budget.
Kipper (Australia) – 32.5%-50%	Oil/Gas	500	CY11	10,000 bpd condensate and processing capacity of 80 million cubic feet gas per day	Sanctioned

Development projects in feasibility (US\$6.5bn)

Minerals Projects (US\$4.7bn)	Commodity	Estimated Share of Capex* US\$m	Forecast Initial Production*	Project Capacity (100%)*
Worsley Efficiency and Growth (Australia) – 86%	Alumina	1,750	End CY10	1.1 million tpa
Guinea Alumina Project (Guinea) – 33.3%	Alumina	1,000	H2 CY11	3.2 million tpa
Bakhuis (Suriname) – 45%	Bauxite	320	H2 CY09	6.9 million tpa bauxite
Maruwai Stage 1 (Indonesia) – 100%	Met Coal	50	End CY08	1 million tpa clean coal
Maruwai (Indonesia) – 100%	Met Coal	405	H2 CY10	5 million tpa clean coal
Douglas-Middelburg Optimisation (South Africa) – 84%	Energy Coal	1,000	H1 CY08	Optimisation of existing reserve base

Development projects in feasibility (US\$6.5bn) cont.

Minerals Projects (US\$4.7bn)	Commodity	Estimated Share of Capex* US\$m	Forecast Initial Production*	Project Capacity (100%)*
Mt Arthur Coal UG (Australia) – 100%	Energy Coal	475	End CY10	7 million tpa saleable coal
Navajo South Mine Extension (USA) – 100%	Energy Coal	480	End CY10	5.7 million tpa saleable coal
Perseverance Deeps (Australia) – 100%	Nickel	500	H2 CY13	Maintain Nickel West system capacity

Petroleum Projects (US\$600m)	Commodity	Estimated Share of Capex* US\$m	Forecast Initial Production*	Project Capacity (100%)*
NWS North Rankin B – 16.67%	LNG	600	H2 CY12	LNG processing capacity 2.5 million tpa

Development projects commissioned since July 2001

Project	Our Share of Capex		Initial Production Date	
	Budget US\$m	Actual US\$m	Budget	Actual
Antamina (Peru) – 33.75%	775	752	Q2 CY01	Q2 CY01
Typhoon (US) – 50%	128	114	Q3 CY01	Q3 CY01
Tintaya Oxide (Peru) – 99.9%	138	120	Q2 CY02	Q2 CY02
Escondida Phase IV (Chile) – 57.5%	600	543	Q3 CY02	Q3 CY02
San Juan Underground (US) – 100%	146	143	Q3 CY02	Q3 CY02
Bream Gas Pipeline (Australia) – 50%	50	34	Q2 CY03	Q4 CY02
Mozal 2 (Mozambique) – 47.1%	405	311	Q4 CY03	Q2 CY03
Zamzama (Pakistan) – 38.5%	40	40	Q3 CY03	Q2 CY03
Area C (Australia) – 85%	181	171	Q4 CY03	Q3 CY03
Mt Arthur North (Australia) – 100%	411	380	Q4 CY03	Q4 CY03
Hillside 3 (South Africa) – 100%	449	411	Q2 CY04	Q4 CY03
Ohanet (Algeria) – 45%	464	464	Q4 CY03	Q4 CY03
Cerrejon Zona Norte (Colombia) – 33.3%	50	33	Q1 CY04	Q1 CY04
Products & Capacity Expansion (Australia) – 85%	299	266	Q2 CY04	Q1 CY04

Development projects commissioned since July 2001

Project	Our Share of Capex		Initial Production Date	
	Budget US\$m	Actual US\$m	Budget	Actual
WA Iron Ore Accelerated Expansion (Australia) – 85%	83	80	Q2 CY04	Q2 CY04
NWS Train 4 (Australia) – 16.7%	247	252	Mid CY04	Mid CY04
ROD (Algeria) – 36%	192	192	Q4 CY04	Q4 CY04
GoM Pipelines Infrastructure (US) – 22/25%	132	132	Q4 CY04	Q4 CY04
Western Australia Iron Ore RGP (Australia) – 85%	95	101	Q4 CY04	Q4 CY04
Mad Dog (US) – 23.9%	368	370	End CY04	Jan 2005
Minerva (Australia) – 90%	150	157	Q4 CY04	Jan 2005
Angostura (Trinidad) – 45%	327	337	End CY04	Jan 2005
Panda Underground (Canada) – 80%	146	139	Early CY05	April 2005
Dendrobium (Australia) – 100%	200	200	Mid CY05	April 2005
BMA Phase 1 (Including Broadmeadow) (Australia) – 50%	90	100	Mid CY05	Mid CY05
Escondida Norte (Chile) – 57.5%	230	251	Q4 CY05	Oct 2005
Paranam Refinery Expansion (Suriname) – 45%	29	33	Q3 CY05	Q4 CY05
Worsley Development Capital Project (Australia) – 86%	165	188	Q1 CY06	Q2 CY06

Development projects commissioned since July 2001

Project	Our Share of Capex		Initial Production Date	
	Budget US\$m	Actual US\$m	Budget	Actual
Escondida Sulphide Leach (Chile) – 57.5%	500	566	H2 CY06	Q2 CY06
Western Australia Iron Ore RGP2 (Australia) – 85%	489	501	H2 CY06	Q2 CY06
Spence (Chile) – 100%	990	1,100	Q4 CY06	Q4 CY06
BMA Phase 2 (Australia) – 50%	88	88 ⁽¹⁾	H2 CY06	Q4 CY06
Blackwater Coal Preparation (Australia) – 50%	100	140 ⁽¹⁾	Mid CY07	H1 CY07
Genghis Khan (US) – 44%	365	365 ⁽¹⁾	H2 CY07	H2 CY07
Atlantis South (US) – 44%	1,630	1,630 ⁽¹⁾	H2 CY07	H2 CY07
Stybarrow (Australia)- 50%	380	380 ⁽¹⁾	Q2 CY08	Q2 CY08
Koala Underground (Canada) – 80%	200	176	End CY07	End CY07
Ravensthorpe (Australia) – 100%	2,200	2,079 ⁽¹⁾	Q1 CY08	Q4 CY07
Pinto Valley (USA) – 100%	140	144 ⁽¹⁾	Q4 CY07	Q4 CY07
Western Australia Iron Ore RGP3 (Australia) – 86.2%	1,300	1,300 ⁽¹⁾	Q4 CY07	Q4 CY07