

Edgar Filing: RIO TINTO PLC - Form 425

RIO TINTO PLC
Form 425
November 13, 2008

Filed by: BHP Billiton Plc

and BHP Billiton Limited

Pursuant to Rule 425 under the Securities Act of 1933

Subject Company: Rio Tinto plc

Commission File No.: 001-10533

The following are slides comprising an investor presentation that was first given on November 13, 2008.

November 2008
Investor Presentation

Investor Presentation

Slide 2

Disclaimer

By reviewing/attending this presentation you agree to be bound by the following conditions.

The directors of BHP Billiton Limited and BHP Billiton Plc ("BHP Billiton") accept responsibility for the information contained herein. If, in such is the case, the information contained in this presentation is, to the best of the knowledge and belief of the directors of BHP Billiton, likely to affect its import.

Subject to the above, neither BHP Billiton nor any of its directors, officers, employees or advisers nor any other person makes accordingly no reliance should be placed on, the fairness, accuracy or completeness of the information contained in the present law, neither BHP Billiton nor any of its directors, officers, employees or advisers nor any other person shall have any liability arising, directly or indirectly, from any use of this information or its contents or otherwise arising in connection therewith. Information based on public information which has not been independently verified.

This presentation is for information purposes only and does not constitute or form part of any offer for sale or issue of any securities, nor shall it or any part of it be relied on in connection with, any contract or investment decision, nor does it constitute or approval in any jurisdiction, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale of securities laws of any such jurisdiction (or under an exemption from such requirements). No offering of securities shall be made under the US Securities Act of 1933, as amended, or an exemption therefrom. Neither this presentation nor any copy of it may be taken into effect in Japan or Malaysia. The distribution of this document in other jurisdictions may be restricted by law and persons into whose jurisdiction they enter and observe, any such restrictions.

This presentation is directed only at persons who (i) are persons falling within Article 49(2)(a) to (d) ("high net worth companies") under the Financial Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order") or (ii) have professional experience in matters relating to securities (iii) are outside the United Kingdom (all such persons being referred to as "relevant persons"). This presentation must not be a prospectus. Certain statements in this presentation are forward-looking statements (including statements regarding contribution synergies, future production volumes, increases in production and infrastructure capacity, the identification of additional mineral Reserves and statements typically containing words such as "intends," "expects," "anticipates," "targets," "plans," "estimates" and words of similar import) and beliefs and numerous assumptions regarding BHP Billiton's present and future business strategies and the environments in which they operate. Such assumptions, expectations and beliefs may or may not prove to be correct and by their nature, are subject to a number of risks that could cause actual results, performance and achievements to differ materially.

Factors that could cause actual results or performance to differ materially from those expressed or implied in the forward-looking statements include: the ability to successfully combine the businesses of BHP Billiton and Rio Tinto and to realise expected synergies from that combination, the satisfaction of any conditions to any proposed transaction, including the receipt of required regulatory and anti-trust approvals, the successful completion of any transaction, and the risk factors discussed in BHP Billiton's and Rio Tinto's filings with the U.S. Securities and Exchange Commission (Reports on Form 20-F for the most recent fiscal years) which are available at the SEC's website (<http://www.sec.gov>). Save as otherwise required by the London Stock Exchange, the UK Takeover Panel, or the listing rules of ASX Limited, BHP Billiton undertakes no duty to update

Investor Presentation

Slide 3

Disclaimer

(continued)

No statement concerning expected cost savings, revenue benefits (and resulting incremental EBITDA) and EPS accretion in the earnings per share of the enlarged BHP Billiton group for current and future financial years will necessarily match or exceed the actual estimated cost savings and revenue benefits (and resulting EBITDA enhancement) may be materially greater or less

References in this presentation to \$ are to United States dollars unless otherwise specified.

In connection with the offer and sale of securities BHP Billiton would issue to Rio Tinto plc US shareholders and Rio Tinto plc
Statement on Form F-4 (the Registration Statement), which contains a preliminary prospectus (the Prospectus), and will
is not a substitute for the Registration Statement or the Prospectus that BHP Billiton has filed, or any amendments or supplements
U.S. INVESTORS AND U.S. HOLDERS OF RIO TINTO PLC SECURITIES AND ALL HOLDERS OF RIO TINTO PLC A
PROSPECTUS AND ANY OTHER DOCUMENTS MADE AVAILABLE TO THEM AND/OR FILED WITH THE SEC RE
AMENDMENTS AND SUPPLEMENTS TO THOSE DOCUMENTS, WHEN THEY BECOME AVAILABLE BECAUSE T
Investors and security holders are able to obtain a free copy of the Registration Statement and the Prospectus as well as other re
(<http://www.sec.gov>). Copies of such documents may also be obtained from BHP Billiton without charge.

BHP Billiton Limited is not required to, and does not plan to, prepare and file with the SEC a registration statement in respect of
shareholders should carefully consider the following:

The Rio Tinto Limited Offer will be an exchange offer made for the securities of a foreign company. Such offer is subject to di
those of the United States. Financial statements included in the document will be prepared in accordance with foreign accounti
statements of United States companies.

It may be difficult for you to enforce your rights and any claim you may have arising under the U.S. federal securities laws, sin
their officers and directors may be residents of foreign countries. You may not be able to sue a foreign company or its officers
laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgment.

You should be aware that BHP Billiton may purchase securities of either Rio Tinto plc or Rio Tinto Limited otherwise than un
negotiated purchases.

Information Relating to the US Offer for Rio Tinto plc

Information

for

US

Holders

of

Rio

Tinto

Limited

Shares

Information

Relating

to

the

US

Offer

for

Rio

Tinto

plc

and

the

Rio

Tinto

Limited

Offer

for

Rio

Tinto

shareholders

located

in
the
US

Investor Presentation

Slide 4

The largest mining company by market capitalisation

Market Capitalisation as at 31 October 2008

(US\$bn)

BHP Billiton

0

20
40
60
80
100
*Rio Tinto Market Cap = Market Cap of Rio Tinto Plc + 62.6% of Market Cap of Rio Tinto Ltd (due to Rio Tinto Plc's approximate
37.4%
holding
of
Rio
Tinto
Ltd,
as
per
www.riotinto.com/investors/590_data_book.asp)
**Market
value
may
be
unreliable
due
to
a
high
percentage
of
non
free-float
shares.
Sources: Datastream, Bloomberg

Investor Presentation

Slide 5

With a diversified global portfolio

Note: Location of dots indicative only

Stainless Steel Materials

#3 global nickel producer

Iron Ore

#3 global supplier
of seaborne iron ore
Manganese
#1 global supplier of
seaborne manganese ore
Metallurgical Coal
#1 global supplier of seaborne
traded metallurgical coal
Base Metals
#3 global producer of copper, silver and lead
Aluminium
#4 global producer of bauxite and #4 aluminium
company based on net third party sales
Energy Coal
#4 global supplier of seaborne
export thermal coal
Petroleum
A significant oil and gas exploration
and production business
Diamonds & Specialty Products
EKATI Diamond Mine is one of the world's
largest gem quality diamond producers
Aluminium
Base Metals
Diamonds & Specialty Products
Energy Coal
Iron Ore
Manganese
Metallurgical Coal
Petroleum
Stainless Steel Materials
Offices

Investor Presentation
Slide 6
Our strategy
Focus on value creation

People

Run current assets at full potential

Accelerate development projects

Create future options

Growth options

Project pipeline

Financial strength
and discipline

World-class

assets

Licence to

operate

People

Investor Presentation
Slide 7
Overview
Year ended June 2008

Outstanding operating and financial results

Annual production records set in 7 commodities

Underlying EBITDA up 22% to US\$28.0 billion

Underlying EBIT up 21% to US\$24.3 billion

Attributable profit of US\$15.4 billion, up 12%

Earnings per share of 275 US cents, up 18%

Underlying EBIT margin and ROCE
of 48% and 38% respectively

Growth projects proceeding well
with significant volume growth achieved
in FY2008 and expected in FY2009

Final dividend rebased to 41 US cents per share,
an increase of 52%,
consistent with outlook and higher earnings and cash flow

Investor Presentation

Slide 8

Outstanding results driven by strategy and execution

3.1

3.5

5.5

9.9

15.3
20.1
24.3
0
5
10
15
20
25
FY2002
FY2003
FY2004
FY2005
FY2006
FY2007
FY2008
Notes:
a)
FY2002
to
FY2005
calculated
on
the
basis
of
UKGAAP.
Subsequent
periods
calculated
under
IFRS.
Underlying EBIT
(a)
(US\$bn)
H2
H1
9.6
14.7

Investor Presentation

Slide 9

0

50

100

150

200

A track record of project delivery

Notes:

a)

Production
from
continuing
operations
converted
to
copper
equivalent
units
using
FY2008
average
realised
prices.
Copper
equivalent
production
growth

(a)

(Indexed, 100=FY2001)

Projects successfully delivered:

44 since the DLC merger

10 completed in FY2008

10% growth estimated in FY2009

Completed projects ramping up in FY2009

Atlantis South, Genghis Khan,
Samarco, Ravensthorpe/Yabulu
Exp.,
Cliffs, Koala Underground, Spence,
Escondida Sulphide Leach and
Pinto Valley

First production expected in FY2009

GEMCO, Neptune, Shenzi, NWS
Train 5, NWS Angel and Alumar

Investor Presentation
Slide 10
Diversity = Stability and Strength
(%)
Underlying EBIT Margin
(1)
FY2002

FY2003
FY2004
FY2005
FY2006
FY2007
FY2008

0
10
20
30
40
50
60
70
80
H1
H2
H1
H2
H1
H2
H1
H2
H1
H2
H1
H2
H1
H2

Petroleum
Aluminium
Base Metals
D&SP
SSM
Iron Ore
Manganese
Met Coal
Energy Coal
BHP Billiton

(1)
FY2002
to
FY2005
are
calculated
under
UKGAAP.
Subsequent
periods
are

calculated
under
IFRS.

All periods exclude third party trading activities.

Investor Presentation

Slide 11

Short-term global challenges exist

Global economic activity is moderating

Financial market instability, housing

market decline and inflationary pressures

Emerging economies not immune

Inflationary pressures

Some decline in fixed asset investment growth (isolated to a small number of industries)

Exchange rate appreciation reducing export competitiveness

0
2
4
6

Jun-06

Sep-06

Dec-06

Mar-07

Jun-07

Sep-07

Dec-07

Mar-08

Jun-08

United States annual GDP growth

(a)

(Annual growth, %)

China annual GDP growth

(b)

(Annual growth, %)

8
10
12
14

Jun-06

Sep-06

Dec-06

Mar-07

Jun-07

Sep-07

Dec-07

Mar-08

Jun-08

Notes:

a)

Source: US Department of Commerce, Bureau of Economic Analysis.

b)

Source: CEIC

Investor Presentation

Slide 12

However, long-term fundamentals of emerging/developing economies remain intact

2.8%

2.3%

0.6%

2.5%

3.5%

6.5%

5.9%

6.9%

9.8%

10.2%

9.1%

10.0%

0%

2%

4%

6%

8%

10%

12%

Average historical growth

CY1990-CY2000

Average historical growth

CY2001-CY2007

Average forecast growth

CY2008-CY2009

Average forecast growth

CY2010-CY2013

Developed Economies

Emerging & Developing Economies

China

Source:

World

economic

outlook

database,

October

2008

(including

November

2008

update).

IMF world GDP growth

(%)

Investor Presentation

Slide 13

Urbanisation and industrialisation has resulted in a huge
call on steelmaking raw materials

0

100

200

300
400
500
600
700
800
900
CY1970
CY1980
CY1990
CY2000
CY2007
CY2015E
United States
China

Source: International Iron & Steel Institute (World Steel in Figures, 2008), US Geological Survey (Iron and Steel Statistics, 3 January 2008) and BHP Billiton estimates.

Annual steel consumption

(mtpa)

Cumulative steel consumption since 1900

(mt)

0
1,000
2,000
3,000
4,000
5,000
6,000
7,000
8,000
9,000
10,000

CY1970
CY1980
CY1990
CY2000
CY2007
CY2015E
United States
China

Investor Presentation

Slide 14

Supply-side constraints are limiting the industry's response

Equipment stress

Industrial action and wage disputes

Labour shortages

Equipment shortages

Significant cost pressures, including
fuel

Energy and power constraints

Declines in ore-grade levels

Rising tariffs

Infrastructure bottlenecks

Developments are increasingly
tending to be:

Smaller

Lower grade

Higher risk geographies

Equipment
shortages

longer
lead
times and project delivery dates

Rising capital costs

Resources nationalism

Existing Supply

Future Supply Growth

Investor Presentation

Slide 15

0

2,000

4,000

6,000

8,000

10,000

12,000

14,000

CY2007

CY2008

CY2009F

CY2010F

CY2011F

CY2012F

Accelerating growth from a diversified portfolio of projects

% of growth CY2007-2012

(Estimated & unrisked)

Note: Growth in production volumes on a copper equivalent units basis between CY2007 and CY2012 calculated using BHP Billiton's Specialty Products operation and all bauxite production. All energy coal business tonnes available for external sale. Conversion of production forecasts to copper equivalent units completed using long term commodity price assumptions

for diamonds, domestic coal and manganese.

Prices as at July 2008.

Production in copper equivalent tonnes

(Copper equivalent tonnes '000s)

45%

37%

18%

Steelmaking

Materials

Energy

Non-Ferrous

Investor Presentation

Slide 16

Focused on low risk volume growth from existing assets, high
margin CSGs
and known regions

By project type

(b)

87%

13%

Brownfield

Greenfield

By region

(c)

Existing

New

By country risk

(d)

88%

12%

Lower

Higher

3%

97%

By high margin vs
lower margin CSGs

(e)

63%

37%

> 50%

< 50%

Projected

growth

in

production

in

copper

equivalent

tonnes

(a)

(CY2007-CY2012)

a)

Growth in production volumes on a copper equivalent units basis between CY2007 and CY2012 calculated using BHP Billiton
exclude BHP

Billiton s

Specialty

Products

operation

and

all

bauxite

production.

All

energy

coal

businesses

are

included.

Alumina
volumes
reflect
only
tonnes
available
for
external
sale.

Conversion of production forecasts to copper equivalent units completed using long term consensus price forecasts, plus BHP manganese. Prices as at July 2008.

b)
Brownfield includes growth from existing operations as at 31-Dec-2007, as well as expansions and additional developments of

c)
Existing regions represents those countries in which BHP Billiton already has asset operating as at 31-Dec-2007.

d)
Country
risk
methodology
based
on
March
2008
Euromoney
Magazine
poll.

Lower
risk
countries
defined
as
countries
with
risk
scores
>75%
(except
Chile
and
South
Africa).

e)
High
margin
CSGs
represents
those
with
an
average

EBIT
margin
(excluding
third
party
trading
activities)
of
greater
than
50%
over
the
past
three
financial
years.

Investor Presentation
Slide 17
Strong cash flow -
delivering value to shareholders
0
2,000
4,000

6,000
8,000
10,000
12,000
14,000
16,000
18,000
20,000

H1

H2

0

1,500

3,000

4,500

6,000

7,500

9,000

Available Cash Flow

Organic

Growth

Return

to

Shareholders

(1)

Includes capital and exploration expenditures (exclude acquisitions).

(2)

Includes dividends paid and share buy-backs.

(3)

FY2005

to

FY2008

have

been

calculated

on

the

basis

of

the

IFRS.

Prior

periods

have

been

calculated

on

the

basis

of

UKGAAP.

(4)

FY2007 and FY2008 cashflow reflects proportional consolidation of joint ventures.

US\$m

US\$m

US\$m

0

1,500

3,000

4,500

6,000

7,500

9,000

1

2

Investor Presentation
Slide 18
Summary

Excellent operating and financial results

Long-term demand outlook remains

strong despite some short-term
economic uncertainty

Supply-side constraints are limiting the
ability for the industry to respond to
demand growth

BHP Billiton's portfolio of assets
focused in stable geographies provides
a competitive advantage

Future growth being delivered from
lower risk projects
Liverpool Bay

BHP Billiton s offer to acquire Rio Tinto

Investor Presentation
Slide 20

BHP Billiton has made a pre-conditional offer for Rio Tinto, it will be capable of acceptance by shareholders following complete regulatory processes and posting of offer documents

Subject to pre-conditions relating to certain anti-trust clearances in the EU, the US, Australia, Canada and South Africa and FII

approval in Australia

Rio
Tinto
shareholders
are
being
offered
3.4
BHP
Billiton
shares
for
every
Rio
Tinto
share
held

The offer
represents
a
45%
premium
to
the
undisturbed
combined
volume
weighted
average
market
capitalisation
(a)

And
a
16%
discount,
based
on
BHP
Billiton s
current
combined
market
capitalisation
as
at
31-Oct-08

and
the
Rio
Tinto
combined
market
capitalisation
immediately
prior
to
the
announcement
confirming
BHP
Billiton's
approach
(b)

The offer is conditional on more than 50% acceptances of the publicly held shares in each of Rio Tinto plc and Rio Tinto Ltd

BHP Billiton's progressive dividend policy is expected to be maintained

Proposed share
buyback
of
up
to
US\$30bn
following
completion
if
the
offer
is
successful
(c)

Buyback and any refinancing of Rio Tinto's borrowings to be funded through a combination of a US\$55bn committed bank financing facility, cash flow from operations, asset disposal proceeds and, if required, debt financing

Target single A credit rating

DLC structure maintained

Notes:

(a)

Premium based on the combined volume-weighted market capitalisation of Rio Tinto based on the volume-weighted average closing share prices over the month ending 30 September 2011 of £17.99 and A\$45.77 respectively and volume-weighted average closing share prices over the month ending 30 September 2011 of £17.99 and A\$45.77 respectively. Based on BHP Billiton and Rio Tinto issued ordinary shares outstanding (excluding Treasury shares) in

Rio
Tinto
Ltd)
as
at
9-Nov-2007
and
exchange
rates
of
2.077
US\$/£
and
0.927
US\$/A\$
as
at
31-Oct-2007.

(b)

This premium has been calculated based on the combined based on the combined market capitalisation of Rio Tinto based on t
7-Nov 2007 and Rio Tinto Ltd of A\$113.40 on 8-Nov-2007 and closing share prices of BHP Billiton Plc and BHP Billiton Ltd
BHP Billiton and Rio Tinto issued ordinary shares outstanding (excluding Treasury shares and cross shareholdings eg. Rio Tin
exchange rates of 1.616 US\$/£
and 0.660 US\$/A\$ as at 31-Oct-2008.

Based on BHP Billiton s share prices and exchange rates as at 31-Oct-2008 and assuming 100% BHP Billiton Ltd shares for e
Rio Tinto plc share consisting of 80% BHP Billiton Plc shares and 20% BHP Billiton Ltd shares, the value of the Rio Tinto plc
A\$95.17 as at 31-Oct-2008. The closing share prices of Rio Tinto plc and Rio Tinto Ltd on 31-Oct-2008 were £28.64 and A\$7

(c)

i.e. if BHP Billiton acquires 100% of the shares in Rio Tinto Limited and Rio Tinto plc on the 3.4:1 announced offer terms.
Overview of BHP Billiton Offer for Rio Tinto

Investor Presentation

Slide 21

Detail on BHP Billiton offer for Rio Tinto

Rio Tinto plc Offer:

Rio Tinto plc shareholders will receive 3.4 BHP Billiton shares for every Rio Tinto plc share held

80% in BHP Billiton Plc shares

20% in BHP Billiton Ltd shares

Separate US offer (which forms part of the Rio Tinto plc Offer) to:

US resident shareholders of Rio Tinto plc shares

All holders of Rio Tinto plc ADRs

Rio Tinto Ltd Offer:

Rio Tinto Ltd shareholders will receive 3.4 BHP Billiton Ltd shares for every Rio Tinto Ltd share held

Unique synergy potential:

Expected material quantifiable synergies and financial benefits unique to this combination

(a)

US\$1.7bn nominal per annum from cost savings

US\$2.0bn additional nominal per annum primarily from volume acceleration

Other combination benefits

With a mix and match

facility

a)

Estimated incremental EBITDA based on publicly available information. To be read in conjunction with the notes in Appendix IV of BHP Billiton's announcement dated 6-Feb-2008. Full run rate synergies expected by year 7. Assumes BHP Billiton gains 100% of the shares of Rio Tinto Limited and Rio Tinto plc on the 3.4:1 announced offer terms.

Investor Presentation

Slide 22

Unlocking further value through a combination with Rio Tinto

Optimising mineral basin positions and infrastructure

Lower cost, more efficient production

Unlocking volume through matching reserves with infrastructure

Enhanced platform for future growth

Deployment of scarce resources to highest value opportunities

Greater ability to develop the next generation of large scale projects in new geographies

Better positioned as partner of choice with governments and stakeholders

Efficient exploration and infrastructure development

Unique synergies and combination benefits

Economies

of
scale

especially
procurement

Avoid duplication, reduce corporate and divisional non-operating costs

Accelerate tonnage delivered to market

Slide 23
Indicative timetable for the offer
Jan
2009
2008
Offer Period
Event

Jul
Aug
Sep
Oct
Nov
Dec
Day 0
(a)
Day 60
Post Day 60
Regulatory Approvals
Satisfaction of regulatory approval
pre-conditions
Offer Documentation
Posting of offer documents for Rio Tinto plc offer and
Rio Tinto Ltd offer to shareholders
Offer Fulfilment
Last date for fulfilment of greater than 50% minimum
acceptance condition in both the Rio Tinto plc and
Rio Tinto Ltd offers
Post Day 60
If minimum
acceptance
conditions
are
met

offer continues. (i.e. in order to receive
sufficient acceptances to enable compulsory
acquisition)

Notes:

a)
Date
for
Day 60
may
fall
in
2008
or
2009.

Timetable
is
indicative
only.
(within 28 days of the
pre conditions being
satisfied)

Appendix

Investor Presentation
Slide 25
2007
2008
Financial highlights
% Change
Year ended June (US\$m)

Revenue	
59,473	
47,473	
25.3	
Underlying EBITDA	
28,031	
22,950	
22.1	
Underlying EBIT	
24,282	
20,067	
21.0	
Attributable profit (excluding exceptionals)	
15,368	
13,675	
12.4	
Attributable profit	
15,390	
13,416	
14.7	
Net operating cash flow	
18,159	
15,957	
13.8	
EPS (excluding exceptionals) (US cents)	
274.9	
233.9	
17.5	
Dividend per share (US cents)	
70.0	
47.0	
48.9	

Investor Presentation
Slide 26
Return on capital and margins
(1)
FY2005
to
FY2008

are
shown
on
the
basis
of
IFRS.

Prior periods are calculated under UKGAAP. All periods exclude third party trading.

35%

38%

38%

44%

48%

48%

29%

21%

13%

11%

40%

30%

24%

20%

0%

10%

20%

30%

40%

50%

60%

FY2002

FY2003

FY2004

FY2005

FY2006

FY2007

FY2008

Return on Capital

EBIT Margin

(1)

Investor Presentation

Slide 27

0
2
4
6
8

10

12

FY2002

FY2003

FY2004

FY2005

FY2006

FY2007

FY2008

0%

5%

10%

15%

20%

25%

30%

35%

40%

Capex (LHS)

Capitalised Exploration (LHS)

Acquisitions (LHS)

ROCE (RHS)

Strong Return On Capital Employed despite record capital
investments

Capital and exploration expenditure
(US\$bn)

Notes:

FY2002

to

FY2005

are

shown

on

the

basis

of

UKGAAP.

Subsequent

periods

are

calculated

under

IFRS.

ROCE

Investor Presentation

Slide 28

Our portfolio is diversified and balanced across high
margin commodities

Underlying EBIT Margin

(a)

(FY2008)

Notes:

a)

EBIT Margin excludes third party trading activities.

67%

30%

31%

62%

20%

25%

24%

48%

51%

58%

Underlying EBIT

(FY2008, US\$bn)

0

5

10

15

20

25

Energy

(27%)

Non Ferrous

(44%)

Steelmaking

Materials

(29%)

Iron Ore

Manganese

Energy Coal

Metallurgical Coal

D & SP

Base Metals

Petroleum

Stainless Steel

Materials

Aluminium

Iron Ore

Manganese

Energy Coal

Metallurgical Coal

Diamonds and

Specialty Products

Base Metals

Petroleum

Stainless Steel

Materials

Aluminium

Group

Investor Presentation

Slide 29

Underlying EBIT by Customer Sector Group

Petroleum

5,489

3,014

+82.1

Record EBIT and production

Operating cash costs held under US\$5 per BOE

3 new major projects commissioned and volume growth expected to continue

Strong operational performance -

Stybarrow

continued to produce at full capacity and excellent facility uptime in all operations

Continued replenishment of project and exploration pipeline

Greater than 100% reserve replacement for the second consecutive year

2007

2008

% Change

Year ended June (US\$m)

Neptune

Investor Presentation

Slide 30

Underlying EBIT by Customer Sector Group

Aluminium

1,465

1,856

-21.1

Base Metals

7,989

6,875

+16.2

2007

2008

% Change

Year ended June (US\$m)

Record alumina production

South African power situation will continue
to impact metal production

Worsley E&G approved

Record copper production despite supply
disruptions in South America

Pampa Escondida discovery

Worsley

Escondida

Investor Presentation
Slide 31
Underlying EBIT by Customer Sector Group
Ekati
Diamonds & Specialty Products
189
197

-4.1
2007
2008
% Change
Year ended June (US\$m)

Koala Underground ramping up strongly

Anglo Potash acquisition adding flexibility
for future growth

Stainless Steel Materials

1,275

3,675

-65.3

EBIT impacted by lower prices and volume, and
higher costs

Ravensthorpe, Yabulu Expansion Project and
Cliffs commissioned
Ravensthorpe

Investor Presentation

Slide 32

Underlying EBIT by Customer Sector Group

Manganese

1,644

253

+549.8

Iron Ore

4,631

2,728

+69.8

2007

2008

% Change

Year ended June (US\$m)

Record production due to successful project execution

Exceptional local currency cost control at Western
Australia Iron Ore

Strong volume growth expected in FY2009

Growth plan underpinned by extensive exploration and
development program

Record production, results and margin

Low cost volume expansions underway
Mount Newman
GEMCO

Investor Presentation

Slide 33

Underlying EBIT by Customer Sector Group

Metallurgical Coal

937

1,247

-24.9

2007

2008

% Change

Year ended June (US\$m)

Strong recovery from flood impacts in Queensland

Costs impacted by recovery activities

Great outlook for margins

Market remains tight

Growth pipeline being accelerated

Energy Coal

1,057

481

+119.8

Record EBIT

Higher export prices driven by strong demand

Record production at Hunter Valley and Cerrejon

3 projects sanctioned during the year

Illawarra Coal

Hunter Valley Coal

Investor Presentation
Slide 34
Underlying EBIT analysis
Year ended June 08 vs June 07
0
5,000
10,000

15,000

20,000

25,000

30,000

Jun-07

Net Price

Volume

Exchange

Inflation

Cash Costs

Non Cash

Costs

Exploration

& Bus Dev

Other

Jun-08

US\$m

20,067

6,559

1,828

(1,133)

(532)

(967)

(216)

(404)

(920)

24,282

(1)

Including \$134m of price-linked costs impact.

(2)

Including \$1,619m due to increase in volume from new operations.

(1)

(2)

Investor Presentation

Slide 35

High capture of price benefit to EBIT

0

4,000

8,000

12,000

16,000

20,000

24,000

28,000

FY2007 EBIT

Net Price Variance

Price to EBIT

FY2008 EBIT

20,067

US\$m

6,559

4,215

64%

(1)

(1)

Net price variance includes the impact of price-linked costs. Price-linked costs is defined as any costs which fluctuate in line with royalties, TC/RC and LME linked costs.

24,282

Investor Presentation

Slide 36

Impact of major commodity price

Year ended June 08 vs June 07

(1,500)

(1,000)

(500)

0
500
1,000
1,500
2,000
2,500
Total
price
variance
US\$6,559
million
(1)
US\$m
Petroleum
1,684
Copper
946
Manganese
1,465
Iron Ore
2,134
Energy
coal
1,062
Nickel
(1,066)
Diamonds
80
Aluminium
(51)
Met Coal
151
(1) Net of \$134m of price-linked costs impact.
Other
154

Investor Presentation

Slide 37

(400)

(200)

0

200

400

600

800

1,000

1,200

1,400

Impact of major volume changes

Year ended June 08 vs June 07

US\$m

Total volume

(1)

variance US\$1,828 million

Petroleum

894

Met

Coal

(47)

Iron

Ore

424

Aluminium/

Alumina

20

D&SP

19

Energy

Coal

38

Copper

727

Nickel

(313)

Other

47

(1)

Volume variances calculated using previous year margin and includes new operations

Manganese

20

Investor Presentation

Slide 38

Rate of cost increase

FY2005 is shown on the basis of UKGAAP. Other periods are calculated under IFRS.

All periods exclude third party trading and non cash costs.

0%

1%

2%

3%

4%

5%

6%

7%

FY2005

FY2006

FY2007

FY2008

Other Costs

Raw Materials

Fuel & Energy

Operating cost increase relative to preceding year

4.9%

6.8%

3.6%

4.3%

Investor Presentation

Slide 39

(250)

(150)

(50)

50

150

250
 350
 450
 550
 650
 Cash cost increase mostly recouped in revenue
 Maintenance
 US\$m
 People
 Fuel &
 Energy
 Shipping
 & Freight
 Raw
 Materials
 QCoal Rain
 Impact
 CMSA Strike
 244
 13
 204
 70
 371
 50
 120
 100
 (225)
 Recouped
 in Revenue
 \$645m
 Investment
 \$257m
 One
 Offs
 \$190m
 Business
 Excellence
 \$225m
 Other
 \$100m
 \$967m
 (1)
 +
 +
 +
 -
 =
 (1)
 Excluding non-cash costs of US\$216m (mostly depreciation on growth capital).
 KNS Furnace

Rebuild
20

Investor Presentation

Slide 40

Cash flow

Operating cash flow
and dividends

25,541

22,012

Net interest paid

(630)

(494)

Tax paid

(1)

(6,752)

(5,561)

Net operating cash flow

18,159

15,957

Capital expenditure

(7,558)

(7,129)

Exploration expenditure

(1,350)

(805)

Purchases of investments

(336)

(757)

Proceeds from sale of fixed assets & investments

180

378

Net cash flow before dividends and
funding

9,095

7,644

Dividends paid

(2)

(3,250)

(2,339)

Net cash flow before funding & buy-backs

5,845

5,305

2008

2007

Year ended June (US\$m)

(1)

Includes royalty related taxes paid

(2)

Includes dividends paid to minority interests

Investor Presentation
Slide 41
Ordinary dividends per share
(US cents per share)
0
10
20

30
40
50
60
70

FY2005
FY2006
FY2007
FY2008

H1
H2
0

50
100
150
200
250
300

FY2005
FY2006
FY2007
FY2008

Earnings per share
(US cents per share)

Note:

BHP Billiton's EPS represents reported underlying EPS for the financial year ending 30 June.

Delivering superior returns to shareholders

CAGR 36%

CAGR 37%

Investor Presentation
Slide 42
Portfolio management
US\$6.3bn of disposals
0
1,000
2,000

3,000

4,000

5,000

6,000

7,000

Sale Proceeds

180

FY 2008

378

FY 2007

6,287

Total proceeds

845

FY 2002

2,472

FY

2003

(1)

277

FY 2004

1,035

FY 2005

1,100

FY 2006

US\$m

Proceeds from

sale of assets

(1) Includes BHP

Steel

demerger

and

BHP

Steel

loans

(net of cash disposed and costs)

US\$m

Base Metals

D & SP

Energy Coal

SSM

Petroleum

Steel

Other

Investor Presentation
Slide 43
Resourcing the Future
BHP Billiton's response

BHP Billiton has not been immune from
supply constraint issues

But our scale, global presence and diversification provides significant competitive advantages

We are focused on the disciplined execution of the core strategy

And on pursuing a renewed organisational focus on **simplicity**, accountability and **effectiveness**

Port Hedland

Investor Presentation

Slide 44

0

1,000

2,000

3,000

4,000

5,000
6,000
7,000
FY02
H1 03
H2 03
H1 04
H2 04
H1 05
H2 05
H1 06
H2 06
H1 07
H2 07
H1 08
H2 08
Petroleum
Aluminium
Base Metals
Iron Ore
Met Coal
Manganese
Energy Coal
SSM
Other
Europe
Japan
Other Asia
Nth
America
China
ROW
Australia
Diversification remains for sales into China

20% of total company revenues in FY2008
(US\$m)

431
785
1,075
1,357
371
1,588
2,407
2,946
3,611
3,999
5,293
5,013
6,657

FY2008 revenue by location of customer

Investor Presentation

Slide 45

China and India account for a major share of world commodity demand

Notes: Iron ore represents imports. Coal includes all coal types. Europe excludes former Soviet Union.

Source: CRU International Ltd, Quarterly Reports (April-June 2008); Brook Hunt Aluminium Metal Service (July 2008); BP World Energy, June 2008; IISI

Steel Statistical Yearbook (December 2007) and World Steel in Figures (2008)

0

10

20

30

40

50

60

70

80

90

100

Coal

Fe Ore

Steel

Al

Cu

Ni

Energy

Oil

Share of

World

Commodity

Demand

2007

(%)

China

India

USA

Japan

Europe

Other

Investor Presentation

Slide 46

China's commodity demand and its percentage share of world demand

0

500

1,000

1,500
2,000
2,500
3,000
3,500
4,000
4,500
5,000
95
96
97
98
99
00
01
02
03
04
05
06
07
0%
5%
10%
15%
20%
25%
30%

Chinese refined copper consumption
% share of world refined copper
consumption (right hand scale)

Data: CRU Copper Quarterly, April 2008

Data: CRU Nickel Quarterly, June 2008

Data: Brook Hunt Aluminium Metal Service, July 2008

Data: IISI

Steel Statistical Yearbook (Dec. 2007); China

Customs data (www.customs.gov.cn); CRU -

"The Iron Ore