

Edgar Filing: RIO TINTO PLC - Form 425

RIO TINTO PLC
Form 425
August 18, 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 a presentation that was given by Marius Kloppers, Chief Executive Officer, BHP Billiton and Alex Vanselow, Chief Financial Officer, BHP Billiton on August 18, 2008.

18 August 2008
Marius Kloppers
Chief Executive Officer
Alex Vanselow
Chief Financial Officer
Preliminary Results
30 June 2008

Preliminary Results

18 August 2008

Slide 2

Disclaimer

By viewing 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 in this presentation. Having taken all reasonable care to ensure that such is the case, the information contained in this presentation is,

the knowledge and belief of the directors of BHP Billiton, in accordance with the facts and contains no omission likely to affect the fair presentation of the information contained in the presentation or of the views given or implied. To the extent permitted by law, neither BHP Billiton nor any of its directors, officers, employees or advisers nor any other person shall have any liability whatsoever for any errors or omissions howsoever arising, directly or indirectly, from any use of this information or its contents or otherwise arising in connection with the information.

Information about Rio Tinto plc and Rio Tinto Limited ("**Rio Tinto**") is 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 or invitation to purchase or subscribe for any such securities, nor shall it or any part of it be relied on in connection with, any investment decision, nor does it constitute a proposal to make a takeover bid or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration under the securities laws of any such jurisdiction (or under an exemption from

such requirements).

No offering of securities shall

be made into the United States except pursuant to registration under the US Securities Act of 1933, as amended, or an exemption. Neither this presentation nor any copy of it may be taken or transmitted or distributed or redistributed (directly or indirectly) in distribution of this presentation in other jurisdictions may be restricted by law and persons into whose possession this document inform themselves about, and observe, any such restrictions.

Certain statements in this presentation are forward-looking statements (including statements regarding contribution synergies, savings, the cost and timing of development projects, future production volumes, increases in production and infrastructure capacity, identification of additional mineral Reserves and Resources and project lives and, without limitation, other statements typically words such as "intends," "expects," "anticipates," "targets," "plans," "estimates" and words of similar import.) These statements current expectations and beliefs and numerous assumptions regarding BHP Billiton's present and future business strategies and environments in which BHP Billiton and Rio Tinto will operate in the future and such assumptions, expectations and beliefs may or may not

prove to be

correct and

by their nature, are

subject to a

number of known

and unknown risks

and uncertainties that

could cause actual

results,

performance and achievements to differ materially.

Preliminary Results
18 August 2008
Slide 3
Disclaimer continued
Factors
that
could

cause
actual
results
or
performance
to
differ
materially
from
those
expressed
or
implied
in
the
forward-looking
statements
include,
but
are
not
limited
to,
BHP
Billiton's
ability
to
successfully
combine
the
businesses
of
BHP
Billiton
and
Rio
Tinto
and
to
realise expected
synergies
from
that
combination,
the
presence
of
a
competitive
proposal

in
relation
to
Rio
Tinto,
satisfaction
of
any
conditions
to
any
proposed
transaction, including the receipt of required regulatory and anti-trust approvals, Rio Tinto's willingness to enter into any proposed
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
("SEC")
(including
in
Annual
Reports
on
Form
20-F)
which
are
available
at
the

SEC's
website

(<http://www.sec.gov>). Save as required by law or the rules of the UK Listing Authority and the London Stock Exchange, the U.S. or the listing rules of ASX Limited, BHP Billiton undertakes no duty to update any forward-looking statements in this presentation. No statement concerning expected cost savings, revenue benefits (and resulting incremental EBITDA) and EPS accretion in the future should be interpreted to mean that the future earnings per share of the enlarged BHP Billiton group for current and future financial years will

necessarily
match

or
exceed

the
historical

or
published

earnings
per

share
of

BHP
Billiton,

and
the

actual
estimated

cost
savings

and
revenue

benefits (and resulting EBITDA enhancement) may be materially greater or less than estimated.

Information Relating to the US Offer for Rio Tinto plc

BHP Billiton plans to register the offer and sale of securities it would issue to Rio Tinto plc US shareholders and Rio Tinto plc US investors by filing with the SEC a Registration Statement (the **Registration Statement**), which will contain a prospectus (the **Prospectus**) and other relevant materials. No such materials have yet been filed. This communication is not a substitute for any Registration Statement that BHP Billiton may file with the SEC.

U.S.
INVESTORS
AND
U.S.
HOLDERS
OF
RIO
TINTO
PLC
SECURITIES
AND
ALL
HOLDERS
OF
RIO

TINTO
PLC
ADSs
ARE
URGED
TO
READ ANY REGISTRATION STATEMENT, PROSPECTUS AND ANY OTHER DOCUMENTS MADE AVAILABLE TO
WITH
THE
SEC
REGARDING
THE
POTENTIAL
TRANSACTION,
AS
WELL
AS
ANY
AMENDMENTS
AND
SUPPLEMENTS
TO
THOSE
DOCUMENTS, WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.
Investors and security holders will be able to obtain a free copy of the Registration Statement and the Prospectus as well as other
documents filed with the SEC at the SEC's
website (<http://www.sec.gov>), once such documents are filed with the SEC. Copies of such
documents may also be obtained from BHP Billiton without charge,
once they are filed with the SEC.

Preliminary Results
18 August 2008
Slide 4
Disclaimer continued
Information for US Holders of Rio Tinto Limited Shares
BHP
Billiton

Limited
is
not
required
to,
and
does
not
plan
to,
prepare
and
file
with
the
SEC

a
registration
statement
in
respect
of
the
Rio
Tinto

Limited Offer. Accordingly, Rio Tinto Limited 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 disclosure requirements of a foreign country that are different from those of the United States. Financial statements included in the documents prepared

in
accordance
with
foreign
accounting
standards
that
may
not
be
comparable
to
the
financial
statements
of
United
States
companies.

Information Relating to the US Offer for Rio Tinto plc and the Rio Tinto Limited Offer for Rio Tinto shareholders located in the US

It
may
be
difficult
for
you
to
enforce
your
rights
and
any
claim
you
may
have
arising
under
the
U.S.
federal
securities
laws,
since
the
issuers
are
located
in
a
foreign
country,
and
some
or
all
of
their
officers
and
directors
may
be
residents
of
foreign
countries.
You
may
not

be
able
to
sue
a
foreign company or its officers or directors in a foreign court for violations of the U.S. securities laws. It may be difficult to co
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
under
the
exchange

offer, such as in open market or privately negotiated purchases.

BHP Billiton results are reported under International Financial Reporting Standards (IFRS). References to Underlying EBIT and
EBITDA exclude any exceptional items. A reconciliation to profit from operations is contained within the profit announcement.
References in this presentation to \$
are to United States dollars unless otherwise specified.

Marius Kloppers
Chief Executive Officer
Preliminary Results
30 June 2008

Preliminary Results
18 August 2008
Slide 6
Overview
Year ended June 2008

HSEC

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
out
look
and
higher
earnings
and
cash
f
low

Alex Vanselow
Chief Financial Officer
Preliminary Results
30 June 2008

Preliminary Results
18 August 2008
Slide 8
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

Preliminary Results
18 August 2008
Slide 9
Diversity = Stability and Strength
%
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
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.

Preliminary Results

18 August 2008

Slide 10

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

Preliminary Results

18 August 2008

Slide 11

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

Preliminary Results
18 August 2008
Slide 12
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

Preliminary Results
18 August 2008
Slide 13
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

Preliminary Results
18 August 2008
Slide 14
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

Preliminary Results
18 August 2008
Slide 15
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)
 +
 +
 +
 -
 =
 (1)
 Excluding
 non-cash
 costs
 of
 US\$216m
 (mostly
 depreciation
 on
 growth
 capital).
 KNS Furnace
 Rebuild
 20
 Recouped
 in Revenue
 \$645m
 Investment
 \$257m
 One
 Offs
 \$190m
 Other
 \$100m
 Business
 Excellence
 \$225m
 \$967m

(1)
-250
-150
-50
50
150
250
350
450
550
650

Preliminary Results
18 August 2008
Slide 16
0
2,000
4,000
6,000

8,000
10,000
12,000
14,000
16,000
18,000
20,000
22,000
24,000
26,000
28,000

FY2007 EBIT

Net Price Variance

Price to EBIT

FY2008 EBIT

High capture of price benefit to 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 movements in price such as royalties, TC/RC and LME linked costs.

24,282

Preliminary Results

18 August 2008

Slide 17

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)

ROCE

Notes:

FY2002

to

FY2005

are

shown

on

the

basis

of

UKGAAP.

Subsequent

periods

are

calculated

under

IFRS.

Preliminary Results
18 August 2008
Slide 18
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%

Marius Kloppers
Chief Executive Officer
Preliminary Results
30 June 2008

Preliminary Results

18 August 2008

Slide 20

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

Preliminary Results
18 August 2008
Slide 21
0
50
100
150

200

A track record of project delivery

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
(Indexed, 100=FY2001)

Copper
equivalent
production
growth
(a)

Notes:

a)
Production
from
continuing
operations
converted
to
copper
equivalent
units
using
FY2008
average
realised
prices.

Preliminary Results

18 August 2008

Slide 22

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

Preliminary Results

18 August 2008

Slide 23

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

Preliminary Results

18 August 2008

Slide 24

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

Source: World economic outlook database, April 2008.

IMF world GDP growth

(%)

2.8%

2.3%

1.3%

2.9%

3.5%

6.4%

6.7%

7.0%

9.8%

10.1%

9.4%

10.1%

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

Preliminary Results

18 August 2008

Slide 25

Domestic consumption and investment continues to drive

China's economy

Source: CEIC.

Source: McKinsey Global Institute, March 2008

Preparing for China's Urban Billion .

Chinese economic growth is
predominantly domestically driven

Long-term China economic
growth is driven by continued
urbanisation and industrialisation

Fixed asset investment in 11
economic regions is forecast at
~60% of total urban investment in
China by 2025

Urbanisation and industrialisation
is not limited to China

0
5
10
15
20
25

Composition of GDP
(RMB Trillions)

Net Exports
Inventories
Investment
Consumption

Preliminary Results

18 August 2008

Slide 26

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

Preliminary Results

18 August 2008

Slide 27

The impact is also being felt in the energy markets

36%

9%

5%

50%
China
Other
Europe
North America
Share of world primary energy consumption
(mmtoe)
Growth in energy consumption CY2000-2007
(mmtoe)

10%

17%

30%

26%

30%

27%

30%

31%

0%

100%

CY2000

CY2007

Other

Europe

North

America

China

Source: BP Statistical Review of World Energy 2008.

Notes:

Primary

energy

comprises

commercially

traded

fuels

only.

Oil

consumption

measured

in

million

tonnes,

other

fuels

converted

to

million

tonnes

of

oil

equivalent

as
detailed
in
the
Appendices
of
the
Review.

Preliminary Results

18 August 2008

Slide 28

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

Preliminary Results

18 August 2008

Slide 29

Existing supply:

Equipment shortages are continuing

CY2004

CY2005

CY2006

CY2007

CY2008

CY2009

Tyres and Trucks

Tyres (2004)

OEM underinvestment

Radial tyre market

undersupply >30%

Trucks (2007)

Access to castings,

forgings

Effect of non-mining

competitors

Oil

sands

Draglines & Shovels

Historical cyclicality has

contributed to

underinvestment

Market limited Supply

Base

Availability of raw

materials/steel

Ammonium Nitrate

Production capacity

constraints

Shortage of raw

materials

High capital costs

Stringent import

regulations

Grinding Mills

Access to castings,

forgings

Production capacity

constraints

Increased steel prices

Skilled labour

shortages

?

Timing of initial supply constraint manifestation

Preliminary Results

18 August 2008

Slide 30

Future industry supply growth:

New projects are encountering delays

Source: Brook Hunt.

Note:

Forecast
production
as
at
2008
Q2
represents
the
expected
future
production

as
at
2008
Q2
from
those

copper
developments

classified as highly probable and probable as at 2006 Q1. It excludes new developments classified as highly probable or probable as at 2006 Q1.

Expected future production from highly probable and probable copper developments

(kt)

Forecast production

as at 2006 Q1

Forecast production

as at 2008 Q2

2-3 year delays

0

1,000

2,000

3,000

4,000

5,000

6,000

7,000

8,000

CY2006

CY2007

CY2008

CY2009

CY2010

CY2011

CY2012

CY2013

CY2014

CY2015

CY2016

CY2017

Preliminary Results
18 August 2008
Slide 31
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

Preliminary Results
18 August 2008
Slide 32
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 estimates for BHP Billiton production. Production volumes 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 Billiton 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

Preliminary Results

18 August 2008

Slide 33

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)

Notes:

a)
Growth in production volumes on a copper equivalent units basis between CY2007 and CY2012 calculated using BHP Billiton volumes 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 for domestic coal and 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.

Preliminary Results
18 August 2008
Slide 34
And lower risk longer term options
By project type
(b)
Brownfield

Greenfield

35%

65%

By region

(c)

87%

13%

Existing

New

Projects

in

pre-feasibility

or

future

option

stage

of

development

(~US\$90bn)

(a)

Notes:

a)

Based on current BHP Billiton estimates of future capital expenditure for projects in the pre-feasibility or future option stage as at 14-Aug-2008 as shown on slide 49.

b)

Brownfield represents expansions or additional developments of, or around those assets in operation as at 31-Dec-2007.

c)

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

Preliminary Results

18 August 2008

Slide 35

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

Preliminary Results
18 August 2008
Slide 36
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

Appendix

Preliminary Results

18 August 2008

Slide 39

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)

Preliminary Results

18 August 2008

Slide 40

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%

Preliminary Results
18 August 2008
Slide 41
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)

Preliminary Results
18 August 2008
Slide 42
-400
-200
0
200

400

600

800

1000

1200

1400

Impact of major volume changes

Year ended June 08 vs June 07

US\$m

Total

volume

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

(1)

Preliminary Results
18 August 2008
Slide 43
Impact of major commodity price
Year ended June 08 vs June 07
-1500
-1000

-500
0
500
1000
1500
2000
2500
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

Preliminary Results

18 August 2008

Slide 44

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

Preliminary Results
18 August 2008
Slide 45
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

Preliminary Results
18 August 2008
Slide 46
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
FY2002
FY2003
FY2004
FY2005
FY2006
FY2007
FY2008
H1
H2
0
1500
3000
4500
6000
7500
9000
FY2002
FY2003
FY2004
FY2005
FY2006
FY2007
FY2008
Available Cash Flow
Available Cash Flow
Organic Growth
1
Return to Shareholders
2
(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.

0
1500
3000
4500
6000
7500
9000
FY2002
FY2003
FY2004
FY2005
FY2006
FY2007
FY2008
US\$m
US\$m
US\$m

Preliminary Results

18 August 2008

Slide 47

0.0

3.0

6.0

9.0

12.0
15.0
FY2002
FY2003
FY2004
FY2005
FY2006
FY2007
FY2008
FY2009
Exploration
Sustaining
Capex
Growth
Expenditure
Capital & exploration expenditure
US\$bn
(1)
FY2009 includes
US\$700m for
Petroleum
F
FY2002
to
FY2005
are
shown
on
the
basis
of
UKGAAP.
Subsequent
periods
are
calculated
under
IFRS.
US\$ billion
FY2002
FY2003
FY2004
FY2005
FY2006
FY2007
FY2008
FY2009F
Growth
1.9
2.0

1.7
2.6
4.0
5.5
6.1
9.9
Sustaining & Other
0.8
0.7
0.9
1.3
2.1
1.6
1.8
2.1
Exploration
0.4
0.3
0.5
0.5
0.8
0.8
1.4
1.5
Total
3.1
3.0
3.1
4.4
6.9
7.9
9.3
13.5

Preliminary Results

18 August 2008

Slide 48

Key net profit sensitivities

US\$1/t on iron ore price

80

US\$1/bbl on oil price

35

US\$1/t on metallurgical coal price

25

USc1/lb on aluminium price

25

USc1/lb on copper price

20

US\$1/t on energy coal price

20

USc1/lb on nickel price

2

AUD (USc1/A\$) Operations

(2)

80

RAND (0.2 Rand/US\$) Operations

(2)

20

(US\$m)

Approximate impact

(1)

on FY 2009 net profit

after tax of changes of:

(1) Assumes total volumes exposed to price

(2) Impact based on average exchange rate for the period

Preliminary Results

18 August 2008

Slide 49

Maintenance of a deep diversified inventory of growth options

Boffa/Santou

Refinery

As at 14 August 2008

Proposed capital expenditure

\$500m

\$501m-\$2bn

\$2bn+

SSM

Energy Coal

D&SP

Iron Ore

Base Metals

Petroleum

Met Coal

CSG

Manganese

Aluminium

2009

Execution

Pyrenees

Alumar

Atlantis

North

2013

Feasibility

Bakhuis
Worsley
E&G
Douglas-
Middelburg
Future Options
Newcastle
Third Port
WA Iron Ore
Quantum 2
Potash -
Jansen
WA Iron Ore
Quantum 1
Nimba
Angola
& DRC
WA Iron Ore
RGP 5
CW Africa
Exploration
Turrum
NWS
CWLH
DRC
Smelter
NWS
T5
NWS Nth
Rankin B
WA Iron Ore
RGP 4
Kipper
Olympic Dam
Expansion 2
Browse
LNG
Olympic Dam
Expansion 1
CMSA Heap
Leach 2
Shenzi
Nth
Klipspruit
NWS
Angel
Shenzi
GEMCO
Potash
Olympic Dam

Expansion 3
Thebe
CMSA
Pyro Expansion
Wards
Well
Scarborough
Caroona
WA Iron Ore
RGP 6
Eastern
Indonesian
Facility
Escondida
3rd Conc
RBM
Puma
Blackwater
UG
NWS
WFGH
MKO
Talc
Cannington
Life Ext
Corridor
Sands
Kennedy
Gabon
Saraji
Exp
Red Hill
UG
Resolution
Neptune
Nth
GEMCO
Exp
Ekati
Guinea
Alumina
Angostura
Gas
HPX3
Maruwai
Stage 1
Knotty
Head
Samarco 4
Peak Downs

Exp (Caval
Ridge)
Macedon
CMSA Heap
Leach 1
Antamina
Exp
Newcastle
Third Port Exp
Mad Dog
West
Mt Arthur
Coal UG
Cerrejon
Opt Exp
Daunia
Maruwai
Stage 2
Navajo Sth
Perseverance
Deeps
Mt Arthur Coal
OC (MAC20)
Mt Arthur Coal
(MACX)
New Saraji
Goonyella
Expansions
Escondida
Moly

Preliminary Results
18 August 2008
Slide 50
Sanctioned development projects (US\$12.4bn)
On schedule and
budget
1-2 million tpa

Mid CY09

100

Met Coal

Maruwai Stage 1/Haju (Indonesia)

100%

On schedule and

budget

Third coal berth capable of

handling an estimated

30 million tpa

End CY10

390

Energy Coal

Newcastle Third Port (Australia)

35.5%

On schedule and

budget

10 million tpa export thermal

coal and 8.5 million tpa

domestic thermal coal

(sustains current output)

Mid CY10

975

Energy Coal

Douglas

Middelburg Optimisation

(South Africa)

100%

On schedule and

budget

1.1 million tpa

H1 CY11

1,900

Alumina

Worsley Efficiency and Growth

(Australia)

86%

On schedule and

budget

Incremental 1.8 million tpa

export coal

Incremental 2.1 million tpa

domestic

H2 CY09

450

Energy Coal

Klipspruit (South Africa)

100%

On schedule and

budget

Additional 1 million tpa
manganese concentrate

H1 CY09

110

Mn Ore

GEMCO (Australia)

60 %

On schedule and

budget

Increase system capacity to

155 million tpa

H1 CY10

1,850

Iron Ore

Western Australia Iron Ore RGP 4

(Australia)

86.2%

Schedule and

budget under review

2 million tpa

Q2 CY09

725

Alumina

Alumar Refinery Expansion (Brazil)

36%

Production Capacity (100%)

Progress

Initial

Production

Target Date

Share of

Approved

Capex

US\$m

Commodity

Minerals Projects

Preliminary Results
18 August 2008
Slide 51
Sanctioned development projects (US\$12.4bn) cont.
On schedule and
budget
2,500 million cubic feet gas per

day
CY12
850
LNG
NWS North Rankin B (Australia)
16.67%
On schedule and
budget
11,000 bpd condensate and
processing capacity of 200
million cubic feet gas per day
CY11
625
Oil/Gas
Turrum
(Australia)
50%
On schedule and
budget
96,000 barrels of oil and 60
million cubic feet gas per day
H1 CY10
1,200
Oil/Gas
Pyrenees (Australia)
71.43%
On schedule and
budget
Tie-back to Atlantis South
H2 CY09
185
Oil/Gas
Atlantis North (US)
44%
On schedule and
budget
100,000 barrels and 50 million
cubic feet gas per day
Mid CY09
1,940
Oil/gas
Shenzi (US)
44%
On schedule and
budget
800 million cubic feet gas per
day and 50,000 bpd
condensate
End CY08
200

Oil/Gas

North West Shelf Angel (Australia)

16.67%

On schedule and
budget

10,000 bpd condensate and
processing capacity of 80
million cubic feet gas per day

CY11

500

Oil/Gas

Kipper (Australia)

32.5%-50%

On schedule and
budget

LNG processing capacity 4.2
million tpa

Late CY08

350

LNG

North West Shelf 5th Train (Australia)

16.67%

Production Capacity (100%)

Progress

Initial

Production

Target Date

Share of

Approved

Capex

US\$m

Commodity

Petroleum Projects

Preliminary Results
18 August 2008
Slide 52
Note: All
projects
in
feasibility

remain
under
review
until
they
are
approved
to
move
to
execution.

During
the
feasibility
phase
project
schedules

and capex are indicative only. However, from time to time estimates may be periodically reviewed as project milestones are achieved.

(1)

Project parameters are currently under review

(2)

Project now sequenced to follow Mount Arthur Coal OC (MAC20)

Development projects in feasibility (US\$12.4bn)

Maintain Nickel West system

capacity

H2 CY13

500

Nickel

Perseverance

Deeps

(Australia)

100%

5.7 million tpa saleable coal

CY 2013

850

Energy Coal

Navajo South Mine Extension (USA)

100%

(1)

5 million tpa saleable coal

CY 2011

700

Energy Coal

Mt Arthur Coal UG (Australia)

100%

(2)

8 million tpa

H2 CY11

300

Energy Coal
Cerrejon (Colombia)
33.3%
Increase system capacity to 200
million tpa
H2 CY11
6,110
Iron Ore
Western Australia Iron Ore RGP 5
(Australia)
86.2%
(1)
3.7 million tpa export coal
H2 CY10
300
Energy Coal
Mt Arthur Coal OC MAC20 (Australia)
100%
3-5 million tpa clean coal
CY 2012
500
Met Coal
Maruwai
Stage 2/Lampunut (Indonesia)
100%
(1)
3 million tpa
CY 2010
250
Met Coal
Daunia
(Australia)
50%
3.3 million tpa
H2 CY11
1,700
Alumina
Guinea Alumina Project (Guinea)
33.3%
6.9 million tpa bauxite
H1 CY10
727
Bauxite
Bakhuis
100% (Suriname/ Paranam

45%)
Project Capacity
(100%)*
Forecast Initial

Production*
Estimated Share of
Capex*
US\$m
Commodity
Minerals Projects
(US\$4.7bn)

Preliminary Results

18 August 2008

Slide 53

Development projects in feasibility (US\$12.4bn)

*

Indicative only

280 million cubic feet gas per day

H1 CY11

220

Gas

Angostura Gas (Trinidad & Tobago)

45%

60,000 barrels of oil and 90 million
cubic feet gas per day

H2 CY10

250

Oil/Gas

NWS CWLH (Australia)

16.67%

Project Capacity

(100%)*

Forecast Initial

Production*

Estimated Share of

Capex*

US\$m

Commodity

Petroleum Projects

(US\$600m)