

BHP BILLITON LTD
Form 6-K
March 18, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

March 18, 2009

BHP BILLITON LIMITED

(ABN 49 004 028 077)

(Exact name of registrant as specified in its charter)

BHP BILLITON PLC

(REG NO. 3106209)

(Exact name of registrant as specified in its charter)

180 LONSDALE STREET, MELBOURNE,

NEATHOUSE PLACE, VICTORIA, LONDON,

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VICTORIA 3000 AUSTRALIA
(Address of principal executive offices)

UNITED KINGDOM
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F. Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____ .

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This report on Form 6-K shall be deemed to be incorporated by reference in the registration statement on Form F-3 of BHP Billiton Finance (USA) Limited, BHP Billiton Limited and BHP Billiton Plc filed on March 12, 2007, File No. 333-141218 and to be a part thereof from the date on which this report is furnished, to the extent not superseded by documents or reports subsequently filed or furnished.

EXHIBITS

- 99.1 Unaudited interim financial information as of and for the six months ended December 31, 2008 and 2007.
- 99.2 Calculation of ratio of earnings to fixed charges.
- 99.3 Letter from KPMG Audit Plc and KPMG regarding interim financial information.
- 99.4 Opinion of Greenwood & Freehills, Australian legal adviser to BHP Billiton Finance (USA) Limited, BHP Billiton Plc and BHP Billiton Limited, as to certain matters of Australian taxation.
- 99.5 Consent of Greenwoods & Freehills, Australian legal adviser to BHP Billiton Finance (USA) Limited, BHP Billiton Plc and BHP Billiton Limited, as to certain matters of Australian taxation (included in Exhibit 99.4 above).

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BHP BILLITON LIMITED

BHP BILLITON PLC

Date: March 18, 2009

By /s/ Willem J. Murray
Name: Willem J. Murray
Title: Group Treasurer

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Exhibit 99.1

FORWARD-LOOKING STATEMENTS

Some of the information contained in this document may constitute forward-looking statements (within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934), which are subject to various risks and uncertainties. These statements can be identified by the use of forward-looking terminology such as intend, aim, project, anticipate, estimate, plan, believe, may, should, will, continue, or other similar words. These statements discuss future expectations concerning the results of operations or financial condition or provide other forward-looking information. Our actual results, performance or achievements could be significantly different from the results expressed in, or implied by, those forward-looking statements. You should not place undue reliance on any forward-looking statement, which speaks only as of the date made.

These statements include, but are not limited to, the information regarding:

estimated reserves;

trends in commodity prices;

demand for commodities;

plans, strategies and objectives of management;

closure or divestment of certain operations or facilities (including associated costs);

anticipated production or construction commencement dates;

expected costs or production output;

the anticipated productive lives of projects, mines and facilities; and

provisions for contingent liabilities.

These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause actual results to differ materially from those expressed in the statements contained in this prospectus. When considering these forward-looking statements, you should keep in mind the cautionary statements contained in our Annual Report on Form 20-F for the fiscal year ended June 30, 2008. These statements describe circumstances that could cause actual results to differ materially from those contained in any forward-looking statement.

For example, our future revenues from our operations, projects or mines described in this document will be based, in part, upon the market price of the minerals, metals or petroleum produced, which may vary significantly from current levels. These variations, if materially adverse, may affect the timing or the feasibility of the development of a particular project, or the expansion of certain facilities or mines. Other factors that may affect the actual construction or production commencement dates, costs or production output and anticipated lives of operations, mines or facilities include our ability to profitably produce and transport the minerals, petroleum and/or metals extracted to applicable markets, the impact of foreign currency exchange rates on the market prices of the minerals, petroleum or metals we produce, activities of government authorities in

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some of the countries where we are exploring or developing these projects, facilities or mines, including increases in taxes, changes in environmental and other regulations and political uncertainty and other factors identified in the description of the risk factors above. We cannot assure you that our estimated economically recoverable reserve figures, closure or divestment of such operations or facilities, including associated costs, actual production or commencement dates, cost or production output, or anticipated lives of the projects, mines and facilities discussed in this document will not differ materially from the statements contained in this document.

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

RESULTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

Throughout this document, all references to the corresponding period are to the half-year ended 31 December 2007.

Commentary on the Group Results

Attributable profit fell 56.5 per cent from US\$6.0 billion for the half-year ended 31 December 2007 to US\$2.6 billion for the half-year ended 31 December 2008. Profit from operations (EBIT) fell 23.8 per cent, from US\$9.5 billion for the half-year ended 31 December 2007 to US\$7.2 billion for the half-year ended 31 December 2008. Both measures were affected by a number of exceptional items, the majority of which are non-cash. These items include impairment charges and provisions resulting from the indefinite suspension of Ravensthorpe (Australia), costs relating to the lapsed Rio Tinto offers, impairment of assets and increased rehabilitation provisions for Newcastle steelworks (Australia). The total adverse impact of exceptional items for the half-year ended 31 December 2008 was US\$4.7 billion before tax and US\$3.5 billion after tax. The strength of the US dollar against our main operating currencies positively impacted EBIT for the first half by US\$1.5 billion.

Revenue was US\$29.8 billion, up 16.6 per cent from US\$25.5 billion in the corresponding period. Net operating cash flow increased by 73.9 per cent to US\$13.1 billion. The strong cash flow performance has reduced our net debt to US\$4.2 billion, with a net gearing of 9.5 per cent. The strong balance sheet is a competitive advantage and leaves us resilient in these challenging times. It also means that we are well positioned to take full advantage of an eventual recovery in the market.

During the six months to December 2008, we have witnessed an unprecedented fall in commodity prices, with market prices falling in the order of 50 per cent during this period. As the global economy continues to deteriorate, we are witnessing further demand contraction for our products. We believe it is likely that uncertainty will extend into the medium term. As a consequence of the macro economic environment we have taken a number of actions consistent with our focus to maximise long term shareholder value. These actions include the decision not to proceed with the Rio Tinto offers, adjustments in production where physical demand decreased, suspending cash negative operations and deferrals of low priority capital expenditures. We believe the financial and operating strength of the Group means that we are able to continue to take a long term view, not compromising long term value as a result of short term pressures.

Growth Projects

During the period we commissioned three oil and gas projects and, highlighting our commitment to long term growth, we approved a total of US\$5.9 billion of growth expenditure in one iron ore and three oil and gas projects.

We are continuing to progress well against budget and schedule for those projects which have already been approved.

Table of Contents**Completed projects**

| Customer Sector Group | Project | Capacity ^(iv) | Capital expenditure (US\$ million) ^(iv) | | Date of initial production ⁽ⁱ⁾ | |
|-----------------------|---|---|--|---------------------|---|---------|
| | | | Budget ⁽ⁱⁱⁱ⁾ | Actual | Target | Actual |
| Petroleum | Neptune (US) | 50,000 barrels of oil and 50 million cubic feet of gas per day (100%) | 405 ⁽ⁱⁱⁱ⁾ | 418 | Q1 2008 | Q3 2008 |
| | BHP Billiton | 35% | | | | |
| | North West Shelf 5th Train (Australia) | LNG processing capacity 4.4 million tonnes per annum (100%) | 350 | 350 ⁽ⁱⁱ⁾ | H2 2008 | H2 2008 |
| | BHP Billiton | 16.67% | | | | |
| | North West Shelf Angel (Australia) | 800 million cubic feet of gas per day and 50,000 barrels of condensate per day (100%) | 200 | 200 ⁽ⁱⁱ⁾ | H2 2008 | H2 2008 |
| | BHP Billiton | 16.67% | | | | |
| | | | 955 | 968 | | |

(i) References to quarters and half-years are based on calendar years.

(ii) Number subject to finalisation. For projects where capital expenditure is required after initial production, the costs represent the estimated total capital expenditure.

(iii) As per revised budget or schedule.

(iv) All references to capital expenditure and capacity are BHP Billiton's share unless noted otherwise.

Projects currently under development (approved in prior years)

| Customer Sector Group | Project | Capacity ⁽ⁱ⁾ | Budgeted capital expenditure (US\$ million) ⁽ⁱ⁾ | | Target date for initial production ⁽ⁱⁱ⁾ | |
|-----------------------|--------------------------------|---|--|--------|--|----------|
| | | | Budget | Actual | Target | Actual |
| Petroleum | Shenzi (US) | 100,000 barrels of oil and 50 million cubic feet of gas per day (100%) | | 1,940 | | Mid 2009 |
| | BHP Billiton | 44% | | | | |
| | Atlantis North (US) | Tie back to Atlantis South | | 185 | | H2 2009 |
| | BHP Billiton | 44% | | | | |
| | Pyrenees (Australia) | 96,000 barrels of oil and 60 million cubic feet of gas per day (100%) | | 1,200 | | H1 2010 |
| | BHP Billiton | 71.43% | | | | |
| | Bass Strait Kipper (Australia) | 10,000 bpd condensate and processing capacity of 80 million cubic feet gas per day (100%) | | 500 | | 2011 |
| | BHP Billiton | 32.5% - 50% | | | | |
| | | | | 850 | | 2012 |

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| | | | | |
|-------------|--|--|--------|----------|
| | North West Shelf North Rankin B (Australia) | 2,500 million cubic feet of gas per day (100%) | | |
| | BHP Billiton | 16.67% | | |
| Aluminium | Alumar Refinery Expansion (Brazil) | 2 million tonnes per annum of alumina (100%) | 900 | Q2 2009 |
| | BHP Billiton | 36% | | |
| | Worsley Efficiency and Growth (Australia) | 1.1 million tonnes per annum (100%) | 1,900 | H1 2011 |
| | BHP Billiton | 86% | | |
| Iron Ore | WA Iron Ore Rapid Growth Project 4 (Australia) | 26 million tonnes per annum of iron ore | 1,850 | H1 2010 |
| | BHP Billiton | 86.2% (100%) | | |
| Manganese | Gemco (Australia) | 1 million tonnes per annum manganese concentrate (100%) | 110 | H1 2009 |
| | BHP Billiton | 60% | | |
| Energy Coal | Klipspruit (South Africa) | 1.8 million tonnes per annum export and 2.1 million tonnes per annum domestic thermal coal | 450 | H2 2009 |
| | BHP Billiton | 100% | | |
| | Douglas-Middelburg Optimisation (South Africa) | 10 million tonnes per annum export thermal coal and 8.5 million tonnes per annum domestic thermal coal (sustains current output) | 975 | Mid 2010 |
| | BHP Billiton | 100% | | |
| | Newcastle Third Export Coal Terminal (Australia) | Third coal berth, 30 million tonnes per annum (100%) | 390 | 2010 |
| | BHP Billiton | 35.5% | | |
| | | | 11,250 | |

- (i) All references to capital expenditure and capacity are BHP Billiton's share unless noted otherwise.
(ii) References to quarters and half-years are based on calendar years.

Table of Contents*Projects approved since 30 June 2008*

| Customer Sector Group | Project | Capacity ⁽ⁱ⁾ | Budgeted capital expenditure (US\$ million) ⁽ⁱ⁾ | Target date for initial production ⁽ⁱⁱ⁾ |
|-----------------------|--|---|--|--|
| Petroleum | Bass Strait Turrum (Australia) | 11,000 bpd condensate and processing capacity of 200 million cubic feet of gas per day (100%) | 625 | 2011 |
| | BHP Billiton 50% | | | |
| | North West Shelf CWLH Extension (Australia) | Replacement vessel with capacity of 60,000 barrels of oil per day (100%) | 245 | 2011 |
| | BHP Billiton 16.67% | | | |
| | Angostura Gas Phase II (Trinidad and Tobago) | 280 million cubic feet of gas per day (100%) | 180 | H1 2011 |
| | BHP Billiton 45% | | | |
| Iron Ore | WA Iron Ore Rapid Growth Project 5 (Australia) | 50 million tonnes per annum of iron ore (100%) | 4,800 | H2 2011 |
| | BHP Billiton 85% | | | |
| | | | 5,850 | |

(i) All references to capital expenditure and capacity are BHP Billiton's share unless noted otherwise.

(ii) References to half-years and years are based on calendar years.

The Income Statement

In discussing the operating results of our business, we focus on a non-GAAP (IFRS or US) financial measure we refer to as Underlying EBIT. Underlying EBIT is the key measure that management uses internally to assess the performance of our business, make decisions on the allocation of resources and assess operational management. Management uses this measure because financing structures and tax regimes differ across our assets, and substantial components of our tax and interest charges are levied at a Group, rather than an operational level. Underlying EBIT is calculated as earnings before interest and taxation (EBIT), which is referred to as profit from operations on the face of the income statement, excluding the effects of exceptional items.

We exclude exceptional items from Underlying EBIT in order to enhance the comparability of the measure from period to period and provide clarity into the underlying performance of our operations. Our management monitors exceptional items separately.

Underlying EBIT is not a measure that is recognised under IFRS and it may differ from similarly titled measures reported by other companies. The following table reconciles Underlying EBIT to Profit from operations:

| Half-year ended 31 December | 2008 US\$M | 2007 US\$M |
|-------------------------------------|---------------|---------------|
| Underlying EBIT | 11,899 | 9,623 |
| Exceptional items (before taxation) | (4,675) | (137) |

| | | |
|------------------------|-------|-------|
| Profit from operations | 7,224 | 9,486 |
|------------------------|-------|-------|

Refer to page 8 for further details of Exceptional items.

Consolidated results

Profit from operations (EBIT) for the half-year ended 31 December 2008 was US\$7.2 billion, compared with US\$9.5 billion in the corresponding period, a decrease of 23.8 per cent. Underlying EBIT for the half-year ended 31 December 2008 was US\$11.9 billion compared with US\$9.6 billion, an increase of 23.7 per cent.

Table of ContentsUnderlying EBIT

The following table and commentary describes the approximate impact of the principal factors that affected Underlying EBIT for the half-year ended December 2008 compared with the December 2007 half-year:

| | US\$ Million |
|---|---------------------|
| Underlying EBIT for the half-year ended 31 December 2007 | 9,623 |
| Change in volumes: | |
| Increase in volumes | 204 |
| Decrease in volumes | (1,104) |
| New operations | 649 |
| | (251) |
| Net price impact: | |
| Change in sales prices | 3,503 |
| Price-linked costs | (543) |
| | 2,960 |
| Change in costs: | |
| Costs (rate and usage) | (1,872) |
| Exchange rates | 1,457 |
| Inflation on costs | (423) |
| | (838) |
| Asset sales | (141) |
| Ceased and sold operations | 195 |
| Exploration and business development | (113) |
| Other | 464 |
| Underlying EBIT for the half-year ended 31 December 2008 | 11,899 |

Volumes

During the half-year ended December 2008, we delivered first production in three oil and gas projects and continued to deliver strong volume growth in Petroleum. The new oil and gas operations contributed US\$649 million to Underlying EBIT. Underlying EBIT also increased by US\$204 million due to record production and sales in Iron Ore.

Lower sales volumes in all other products and natural field declines in existing Petroleum operations reduced Underlying EBIT by US\$1,104 million. Copper sales volumes were lower mainly due to declining ore grade and electrical motor reliability issues at the Laguna Seca SAG mill at Escondida (Chile). Manganese sales volumes were impacted as the global economy continues to deteriorate and demand contracted.

In Western Australia Iron Ore and our metallurgical coal operations, we have received requests for deferrals from some long term contract customers. However, this has not impacted iron ore or metallurgical coal production in the half-year ended December 2008. We have sold the deferred long term iron ore tonnages into the spot market. However, it is likely that we will opportunistically adjust our metallurgical coal production in line with the weaker demand during the second half of the 2009 financial year.

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At the end of November 2008, in response to weak demand Samarco (Brazil) announced the temporary suspension of two of its three pellet plants to mid-January 2009. Following a subsequent reassessment of the market conditions, the suspension will continue until the end of March 2009, at which time Samarco management will reassess the situation.

Prices

Net changes in prices increased Underlying EBIT by US\$2,960 million (excluding the impact of newly commissioned projects).

Higher realised prices for metallurgical coal, iron ore, manganese, energy coal, oil and gas increased Underlying EBIT by US\$7,629 million. However, this was offset by a negative impact of US\$4,126 million due to lower realised prices for copper, nickel and aluminium.

Higher price-linked costs reduced Underlying EBIT by US\$543 million primarily due to higher royalties. This was offset by decreased charges for third party nickel ore and more favourable rates for copper treatment and refining charges (TCRCs).

Costs

Costs increased by US\$1,872 million compared to the corresponding period. This includes the impact of higher non-cash costs of US\$262 million.

While we continue to focus on our cost performance, the benefits of falling input prices will have a lagged effect on reducing costs. Approximately US\$592 million of the increase was due to higher costs for fuel and energy, and raw materials such as coke, sulphuric acid, pitch and explosives. In addition, labour and contractor costs have increased by US\$368 million. A portion of the increase in costs was deliberately incurred to maximise production to take advantage of the high commodity prices.

Unexpected events such as the severe weather interruptions in Queensland and the furnace rebuild at the Kalgoorlie Nickel Smelter (Australia) had an adverse cost impact of US\$298 million.

Exchange rates

The strength of the US dollar positively impacted Underlying EBIT for the first half by US\$1,457 million. All Australian operations were positively impacted by the weaker Australian dollar, which increased Underlying EBIT by US\$1,207 million. The depreciation of the South African rand also positively impacted Underlying EBIT by US\$165 million.

Average and closing exchange rates for the half-years ended 31 December 2008 and 2007 are detailed in note one to the half-year financial report included herein.

Inflation on costs

Inflationary pressures on input costs across all our businesses had an unfavourable impact on Underlying EBIT of US\$423 million. The inflationary pressures were most evident in Australia and South Africa.

Asset sales

The sale of assets reduced Underlying EBIT by US\$141 million. This was mainly due to the sale of the Elouera mine (Illawarra Coal, Australia) and other Queensland Coal mining leases in the corresponding period.

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Ceased and sold operations

The favourable impact of US\$195 million was mainly due to higher insurance recoveries and movements in the restoration and rehabilitation provisions for closed operations.

Exploration and business development

Exploration expense for the half-year was US\$496 million, an increase of US\$64 million. We increased exploration expenses at Escondida, Cerro Colorado and Spence (all Chile), manganese targets in Gabon, and nickel targets in Western Australia. The main expenditure for the Petroleum CSG was on targets in the Gulf of Mexico (USA), Colombia, Australia, Philippines and Western India.

Expenditure on business development was US\$49 million higher than last year. This was mainly due to earlier stage development activities in the Base Metals, Stainless Steel Materials and Iron Ore CSGs.

Other

Other items increased Underlying EBIT by US\$464 million, predominantly due to the contribution of third party product sales which were US\$380 million higher compared to the corresponding period.

Net finance costs

Net finance costs decreased to US\$332 million, from US\$341 million in the corresponding period. This was driven predominantly by lower interest rates, offset by foreign exchange impacts and lower capitalised interest.

Taxation expense

The taxation expense including tax on exceptional items was US\$3,888 million, representing an effective rate of 56.4 per cent (calculated as total taxation expense divided by profit before taxation). Excluding the impacts of exceptional items the taxation expense was US\$5,052 million.

Exchange rate movements increased the taxation expense by US\$1,163 million. The weaker Australian dollar against the US dollar has significantly reduced the Australian deferred tax assets for future tax depreciation since 30 June 2008. This was partly offset by the devaluation of local currency tax liabilities due to the stronger US dollar. Royalty-related taxation represented an effective rate of 3.0 per cent for the period.

Excluding the impacts of royalty-related taxation, the impact of exchange rate movements included in taxation expense and tax on exceptional items the underlying effective rate was 30.6 per cent. In the prior comparable period, the effective rate was 32.3 per cent and the underlying effective rate was 30.1 per cent.

Table of Contents**Exceptional Items**

On 21 January 2009 the Group announced the indefinite suspension of Ravensthorpe Nickel Operations (Australia) and as a consequence will stop the processing of the mixed nickel cobalt hydroxide product at Yabulu (Australia). As a result, an impairment charge and increased provisions for rehabilitation of US\$3,361 million (US\$1,008 million tax benefit) were recognised for the half-year ended December 2008.

As part of the Group's regular impairment review of assets, a total charge of US\$356 million (US\$60 million tax charge including the de-recognition of tax benefits) was recognised primarily in relation to withdrawal from Suriname operations, suspension of copper sulphide mining at Pinto Valley (US) and the write down of the Corridor Sands mineral sands resource (Mozambique).

The Group recognised an additional US\$508 million (US\$152 million tax benefit) for the rehabilitation obligations at the Newcastle steelworks (Australia). The increase in obligations relate to increases in the estimated volume of sediment in the Hunter River requiring remediation and treatment, and increases in treatment costs.

The Group's offers for Rio Tinto lapsed on 27 November 2008 following the Board's decision that it no longer believed that completion of the offers was in the best interests of BHP Billiton shareholders. The fees associated with the US\$55 billion debt facility (US\$156 million cost, US\$5 million tax benefit), investment bankers' fees, lawyers' and accountants' fees, printing expenses and other charges (US\$294 million cost, US\$59 million tax benefit) in progressing this matter over the eighteen months up to the lapsing of the offers have been expensed in the half-year ended 31 December 2008.

| | Gross US\$M | Tax US\$M | Net US\$M |
|--|----------------|--------------|--------------|
| Half-year ended 31 December 2008 | | | |
| Exceptional items by category | | | |
| Suspension of Ravensthorpe nickel operations | (3,361) | 1,008 | (2,353) |
| Impairment of other operations | (356) | (60) | (416) |
| Newcastle steelworks rehabilitation | (508) | 152 | (356) |
| Lapsed offers for Rio Tinto | (450) | 64 | (386) |
| | (4,675) | 1,164 | (3,511) |
| Exceptional items by segment | | | |
| Petroleum | (11) | 4 | (7) |
| Aluminium | (128) | | (128) |
| Base Metals | (147) | (64) | (211) |
| Diamonds and Specialty Products | (70) | | (70) |
| Stainless Steel Materials | (3,361) | 1,008 | (2,353) |
| Group and Unallocated | (958) | 216 | (742) |
| | (4,675) | 1,164 | (3,511) |

In addition to the operations affected by planned adjustments to production and development activity, which include Ravensthorpe, Yabulu, Mount Keith Nickel, Pinto Valley Copper, Metallurgical Coal, Olympic Dam Expansion and copper operations in Chile, the Group expects to make additional provisions for redundancy, contract termination and closure of approximately US\$550 million will be recorded in the second half of the year ending 30 June 2009.

In the corresponding period, the Group recognised a deferred tax asset of US\$197 million and an adjustment to deferred tax liabilities of US\$38 million through income tax expense relating to tax losses incurred by WMC Resources Limited, which was acquired by BHP Billiton in June 2005. As a consequence of this adjustment, the Group also recognised an expense for a reduction in goodwill measured at the date of acquisition.

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Cash Flows

Net operating cash flow after interest and tax increased by 73.9 per cent to US\$13,094 million. This was primarily attributable to higher profits generated from operating activities and a decrease in receivables partly offset by increases in other working capital items.

Capital and exploration expenditure totalled US\$5.9 billion for the period (half-year ended 31 December 2007: US\$4.4 billion). Expenditure on major growth projects was US\$4.1 billion (half-year ended 31 December 2007: US\$3.0 billion), including US\$0.7 billion on Petroleum projects (half-year ended 31 December 2007: US\$1.2 billion) and US\$3.4 billion on Minerals projects (half-year ended 31 December 2007: US\$1.8 billion). Capital expenditure on maintenance, sustaining and minor capital items was US\$1.2 billion (half-year ended 31 December 2007: US\$0.7 billion). Exploration expenditure was US\$620 million, including US\$124 million which has been capitalised (half-year ended 31 December 2007: US\$598 million including US\$166 million capitalised).

Financing cash flow include US\$2,486 million in relation to increased dividend payments and net debt repayments of US\$1,099 million. The half-year ended 31 December 2007 included US\$4.6 billion relating to the capital management program and dividend payments.

Net debt, comprising cash and interest-bearing liabilities, was US\$4,168 million, a decrease of US\$4,290 million, or 50.7 per cent, compared to 30 June 2008, arising from debt repayments and increased cash balances. Gearing, which is the ratio of net debt to net debt plus net assets, was 9.5 per cent at 31 December 2008, compared with 17.8 per cent at 30 June 2008.

Dividend

An interim dividend for the half-year ended 31 December 2008 of 41.0 US cents (half-year ended 31 December 2007: 29.0 US cents) per share was paid to shareholders on 17 March 2009.

Debt Management and Liquidity

No long term debt securities were issued in the debt capital markets during the half-year ended December 2008. The Group has access to the US commercial paper market and a committed and undrawn US\$3.0 billion Revolving Credit Facility, which expires in October 2011.

Outlook

Global Economic Outlook

In our Annual Report on Form 20-F for the fiscal year ended 30 June 2008, we highlighted the short term global challenges that were evident. At that time, global economic activity was moderating, financial markets were volatile, and inflationary pressures were apparent. Since then, the global economy has deteriorated at an unprecedented rate taking most observers by surprise.

Economic growth has been impacted by a worldwide dislocation of financial markets that quickly moved into the real economy as credit markets froze and consumer and business confidence collapsed. Deflating asset values, particularly home values in the United States and parts of Europe continue to impact credit availability and confidence. The contraction that began in the United States has extended to impact growth rates in emerging economies as demand for their exports slows.

We expect global economic growth to be weak over the short to medium term as developed economies such as the United States and Europe enter recession and the rate of growth of emerging economies like China slows. Like many governments around the world, the Chinese government has introduced wide ranging stimulus measures. However, it is likely that these measures will take some time to have a positive flow through to economic activity. In reaction to deteriorating financial and economic conditions, there is a risk of increasing protectionism by governments which may hamper any global recovery.

Table of Contents*Commodities Outlook*

Amid uncertainty surrounding the outlook for the global economy, weakness and volatility in the commodity markets has prevailed during the first half of the 2009 financial year. During this period, spot prices for key commodities have fallen steeply in US dollar terms. However, weaker local currencies against the US dollar and the benefits of falling input prices, albeit with some lag, have partially offset the impact on margins.

The unprecedented deceleration in the global economy has sharply reduced demand for commodities. Producers in both developed and emerging economies have responded quickly by closing marginal sources of supply and deferring projects. In the short term, it is expected that many producers will primarily focus on cash conservation to cope with financial distress. We expect that commodity price weakness and volatility will persist.

However in the long term, we expect continued strong growth in demand for commodities from China and other emerging economies. We continue to expect that long-run commodity prices will be driven by their long-run marginal cost of supply.

CUSTOMER SECTOR GROUP SUMMARY

The following table provides a summary of the performance of the Customer Sector Groups revenue and results for the half-year ended 31 December 2008 and the corresponding period.

Revenue**Half-year ended 31 December**

| (US\$ Million) | Revenue | | |
|---|----------------|---------------|-----------------|
| | 2008 | 2007 | Change % |
| Petroleum | 4,212 | 3,268 | 28.9% |
| Aluminium | 2,518 | 2,744 | (8.2)% |
| Base Metals | 3,286 | 6,557 | (49.9)% |
| Diamonds and Specialty Products | 457 | 418 | 9.3% |
| Stainless Steel Materials | 1,101 | 2,419 | (54.5)% |
| Iron Ore | 6,020 | 3,578 | 68.3% |
| Manganese | 1,916 | 1,013 | 89.1% |
| Metallurgical Coal | 4,913 | 1,900 | 158.6% |
| Energy Coal | 4,363 | 2,907 | 50.1% |
| Group and unallocated items ⁽ⁱⁱ⁾ | 1,106 | 801 | N/A |
| Less: inter-segment revenue | (112) | (66) | N/A |
| BHP Billiton Group | 29,780 | 25,539 | 16.6% |

Table of Contents**Results****Half-year ended 31 December**

| (US\$ Million) | 2008 | | | 2007 | | |
|---|-------------------------------|--|--------------------------------|-------------------------------|--|--------------------------------|
| | Profit from operations (EBIT) | Adjustments in arriving at Underlying EBIT | Underlying EBIT ⁽ⁱ⁾ | Profit from operations (EBIT) | Adjustments in arriving at Underlying EBIT | Underlying EBIT ⁽ⁱ⁾ |
| Petroleum | 2,664 | 11 | 2,675 | 1,968 | | 1,968 |
| Aluminium | 161 | 128 | 289 | 680 | | 680 |
| Base Metals | (258) | 147 | (111) | 3,268 | 99 | 3,367 |
| Diamonds and Specialty Products | 9 | 70 | 79 | 72 | | 72 |
| Stainless Steel Materials | (4,113) | 3,361 | (752) | 761 | 38 | 799 |
| Iron Ore | 4,143 | | 4,143 | 1,673 | | 1,673 |
| Manganese | 1,245 | | 1,245 | 431 | | 431 |
| Metallurgical Coal | 3,123 | | 3,123 | 523 | | 523 |
| Energy Coal | 1,072 | | 1,072 | 277 | | 277 |
| Group and unallocated items ⁽ⁱⁱ⁾ | (822) | 958 | 136 | (167) | | (167) |
| BHP Billiton Group | 7,224 | 4,675 | 11,899 | 9,486 | 137 | 9,623 |

(i) Underlying EBIT includes trading activities comprising the sale of third party product. Underlying EBIT is reconciled to Profit from operations on page 4.

(ii) Includes consolidation adjustments, unallocated items and external sales from the Group's freight, transport and logistics operations.

Petroleum

Revenue was US\$4,212 million, an increase of US\$944 million, or 28.9 per cent, compared to the corresponding period.

Total production for the half-year of 67.96 million barrels of oil equivalent was 12 per cent higher than the corresponding period.

Strong growth in production was driven by the successful delivery of a series of growth projects and continued strong gas sales in Western Australia and Pakistan. Production was successfully commenced at Neptune, our first deepwater Gulf of Mexico operated project, and at the North West Shelf LNG Joint Venture's Train 5 (Australia), which came online ahead of schedule. This strong growth was achieved despite the continuing impact of two hurricanes in the Gulf of Mexico during the period, including the loss of the drilling rig from the Mad Dog platform as a result of Hurricane Ike in September 2008.

EBIT was US\$2,664 million, an increase of US\$696 million, or 35.4 per cent, compared to the corresponding period. EBIT includes exceptional items of US\$11 million (nil in the corresponding period). Underlying EBIT was US\$2,675 million, an increase of US\$707 million, or 35.9 per cent, compared to the corresponding period.

The increase in EBIT and Underlying EBIT was mainly due to higher production.

EBIT and Underlying EBIT were also positively impacted by higher average realised oil prices per barrel of US\$85.22 (compared with US\$81.20), higher average realised natural gas prices of US\$3.97 per thousand standard cubic feet (compared with US\$3.42) and higher average realised prices for liquefied natural gas of US\$12.82 per thousand standard cubic feet (compared with US\$7.79).

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Gross exploration expenditure was US\$263 million, a decrease of US\$32 million from last half-year. During the December 2008 half-year, we acquired exploration rights to a significant acreage position onshore in the Llanos Basin in Colombia, offshore acreage in the Palawan Basin in the Philippines, and seven deepwater blocks offshore Western India. Evaluation work has commenced, or continues, on our numerous acreage acquisitions from previous years.

Aluminium

Revenue was US\$2,518 million, a decrease of US\$226 million, or 8.2 per cent, compared to the corresponding period.

Alumina and aluminium production were 2.2 million tonnes and 619,000 tonnes respectively for the half-year, decreases of 3 per cent and 8 per cent respectively compared to the corresponding period.

Alumina production was affected by scheduled maintenance at Alumar and Worsley. Aluminium production and sales were impacted as the Southern African smelters continued to operate at reduced levels to comply with the mandatory reduction in power consumption. The December 2008 half-year includes the complete shutdown of the B and C potlines at Bayside (South Africa).

EBIT was US\$161 million, a decrease of US\$519 million, or 76.3 per cent, compared to the corresponding period. EBIT includes exceptional items of US\$128 million (nil in the corresponding period) which are explained above. Underlying EBIT was US\$289 million, a decrease of US\$391 million or 57.5 per cent from the corresponding period. Lower LME prices and premiums for aluminium, had an unfavourable impact. This was partially offset by the positive impact of price-linked costs. The average LME aluminium price decreased to US\$2,304 per tonne (compared with US\$2,494 per tonne). The average realised alumina prices were in line with the corresponding period.

Higher operating costs also had an adverse impact. This was due to higher charges for energy, depreciation, maintenance, raw materials, and labour. Due to the significant deterioration in prices, inventory revaluation adjustments reduced EBIT and Underlying EBIT by US\$53 million. However, an intensive focus on cost containment through various business excellence initiatives and the benefit of a stronger US dollar reduced the full impact of cost increases.

Base Metals

Revenue was US\$3,286 million, a decrease of US\$3,271 million, or 49.9 per cent, compared to the corresponding period.

Copper production was 617,100 tonnes, a decrease of 6 per cent compared to the corresponding period. These lower production and sales volumes were due to declining grades and electrical motor reliability issues at the Laguna Seca SAG mill. This was partially offset by the continued ramp up of Spence and Escondida Sulphide Leach.

Lead production was 122,215 tonnes, a decrease of 7 per cent compared to the corresponding period due to lower head grade at Cannington. Zinc production was 79,631 tonnes, an increase of 22 per cent compared to the corresponding period due to the processing of a higher proportion of ores containing zinc and higher zinc grades at Antamina. Uranium production was 1,970 tonnes, a decrease of 7 per cent compared to the corresponding period due to lower mill throughput and lower head grade at Olympic Dam. Silver production was 21,815 ounces, a decrease of 5 per cent compared to the corresponding period, mainly due to declining head grades at Cannington and Escondida.

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EBIT was a loss of US\$258 million, a decrease of US\$3,526 million, or 107.9 per cent, compared to the corresponding period. EBIT includes exceptional items of US\$147 million (US\$99 million in the corresponding period) which are explained above. Underlying EBIT was a loss of US\$111 million, a decrease of US\$3,478 million or 103.3 per cent from the corresponding period. This decrease was mainly due to a significant reduction in the prices for all commodities in Base Metals. Lower average realised prices decreased EBIT and Underlying EBIT by US\$2,905 million. Provisional pricing of outstanding copper shipments, including the impact of finalisations, resulted in the average realised price for the reporting period being US\$1.71/lb versus an average LME price of US\$2.63/lb. The average realised price was US\$3.22/lb in the corresponding period last year. The negative impact of provisional pricing and finalisations for the period was US\$1,297 million. Outstanding copper volumes, subject to the fair value measurement, amounted to 242,640 tonnes at 31 December 2008. These were re-valued at a weighted average price of US\$3,063 per tonne, or US\$1.39/lb.

Results also include the impact of Escondida forward contracts losses that reduced EBIT and Underlying EBIT by US\$333 million. Since 2005, Escondida has executed forward copper purchase and sale contracts in order to achieve the average market price over the relevant quotational periods. As a result of the timing of physical sales relative to fluctuations in the copper price, the average prices for our physical sales during the period exceeded average market prices, and, accordingly, we incurred losses on our forward contracts.

Also impacting lower EBIT and Underlying EBIT were higher costs in the period, mostly due to the impact of lower grades at Escondida and higher energy, fuel, acid and labour charges at all assets. The effect of inflation also impacted negatively. Higher costs were partially mitigated by a cost reduction program initiated during the December 2008 half-year in response to the rapid drop in prices and changing business environment. A stronger US dollar also contributed to mitigate the drop in commodity prices. EBIT and Underlying EBIT were also impacted favourably by lower purchases of third party uranium from the spot market.

Diamonds and Specialty Products

Revenue was US\$457 million, an increase of US\$39 million, or 9.3 per cent, compared to the corresponding period.

EKATI diamond production was 1,367,000 carats, a decrease of 27 per cent compared to the corresponding period due to lower grades following changed ore sources. As EKATI transitions from open pit mining to underground mining, the mix of ore will change from time to time.

EBIT was US\$9 million, a decrease of US\$63 million, or 87.5 per cent, compared to the corresponding period. EBIT includes exceptional items of US\$70 million (nil in the corresponding period) which are explained above. Underlying EBIT was US\$79 million, in line with the corresponding period. EBIT and Underlying EBIT were positively impacted by a stronger US dollar and reduced exploration and business development costs.

Stainless Steel Materials

Revenue was US\$1,101 million, a decrease of US\$1,318 million, or 54.5 per cent, compared to the corresponding period.

Nickel production was 77,000 tonnes, a decrease of 6 per cent compared to the corresponding period, primarily due to the Kalgoorlie Nickel Smelter furnace rebuild and maintenance at the Kwinana Nickel Refinery during the quarter to September 2008.

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EBIT was a loss of US\$4,113 million, a decrease of US\$4,874 million, or 640.5 per cent, compared to the corresponding period. EBIT includes exceptional items of US\$3,361 million (US\$38 million in the corresponding period) arising principally from the indefinite suspension of Ravensthorpe Nickel Operations, as explained above. Underlying EBIT was a loss of US\$752 million, a decrease of US\$1,551 million, or 194.1 per cent, compared with the corresponding period. Apart from exceptional items, the loss was mainly due to lower average LME prices for nickel of US\$6.76/lb (compared to US\$13.48/lb) reducing EBIT and Underlying EBIT (net of price linked costs) by US\$916 million. The positive impact of price-linked costs was US\$127 million.

The furnace rebuild at the Kalgoorlie Nickel Smelter and concurrent maintenance at the Kwinana Nickel Refinery (Australia) adversely impacted EBIT and Underlying EBIT due to lower production and sales volumes (US\$234 million) and higher operating costs (US\$104 million).

Higher labour, depreciation and energy costs also had an adverse impact. This was in part offset by a favourable impact of the weaker Australian dollar against the US dollar.

EBIT and Underlying EBIT also decreased by US\$101 million due to the continued ramp-up of operations at Ravensthorpe and the Yabulu Extension Project. Total Underlying EBIT for these operations for the half-year was a loss of US\$233 million.

Iron Ore

Revenue was US\$6,020 million, an increase of US\$2,442 million, or 68.3 per cent, compared to the corresponding period.

Production for the half-year benefited from the successful ramp up of growth projects at Western Australia Iron Ore and Samarco. Western Australia Iron Ore production was 54.2 million wet tonnes, an increase of 9 per cent compared to the corresponding period. The production growth at Western Australia Iron Ore was partially offset by the impact of a temporary suspension of operations following safety incidents and production interruptions. Samarco production was 4.9 million wet tonnes, an increase of 20 per cent on the corresponding period.

EBIT and Underlying EBIT were US\$4,143 million, an increase of US\$2,470 million, or 147.6 per cent, compared to the corresponding period. This was mainly driven by higher average realised prices which increased the Underlying EBIT by US\$2,195 million. This result included sales at annual contract prices set during prior fiscal periods. The negative impact of price-linked costs was US\$152 million.

In Western Australia Iron Ore we have received some requests for deferrals from long term contract customers. However, sales volumes were a record despite a weak demand environment. This reflects our strong relationship with long term customers and our ability to sell into the spot market. As we have been able to sell the deferred long term iron ore tonnages into the spot market, production adjustments during the half-year were limited to Samarco only.

Higher operating costs had an adverse impact on EBIT and Underlying EBIT. This was largely due to inflationary pressures in Australia, increased labour and contractor costs. Depreciation expense was higher due to the successful expansions at Western Australia Iron Ore and Samarco. This was in part offset by a favourable impact of the weaker Australian dollar and Brazilian real against the US dollar.

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Manganese

Revenue was US\$1,916 million, an increase of US\$903 million, or 89.1 per cent, compared to the corresponding period.

Manganese alloy production was 384,000 tonnes, a decrease of 2 per cent compared to the corresponding period. Manganese ore production was 3.2 million tonnes, an increase of 6 per cent compared to the corresponding period. On 3 December 2008, we announced temporary cuts to manganese production due to weak market conditions.

EBIT and Underlying EBIT were US\$1,245 million, an increase of US\$814 million, or 188.9 per cent, compared to the corresponding period. This increase was due to higher sales prices achieved for alloy and ore and a favourable exchange rate impact.

Manganese ore and alloy are entirely dependent on the steel industry and are therefore directly impacted by the current weak steel markets. As a result, lower sales volumes had a negative US\$193 million impact on Underlying EBIT.

Other operating costs were higher due to increased distribution costs, and higher ore development, coke and labour costs. A portion of the increase in costs was deliberately incurred to maximise production to meet the strong demand earlier in the December 2008 half-year.

Metallurgical Coal

Revenue was US\$4,913 million, an increase of US\$3,013 million, or 158.6 per cent, compared to the corresponding period.

Production was 19.4 million tonnes, an increase of 1 per cent compared to the corresponding period.

EBIT and Underlying EBIT were US\$3,123 million, an increase of US\$2,600 million, or 497.1 per cent from the corresponding period. The increase in Underlying EBIT was mainly due to the higher realised prices for hard coking coal (198 per cent) and weak coking coal (233 per cent) and thermal coal (61 per cent). This result included sales at annual contract prices set during prior fiscal periods. This was partly offset by a negative impact of price-linked royalty costs. Higher royalty costs associated with the introduction of a two tier royalty structure in Queensland from 1 July 2008 reduced EBIT and Underlying EBIT by US\$82 million.

A stronger US dollar against the Australian dollar had a favourable impact of US\$328 million. The cost impact attributable to the recovery from the January and February 2008 rainfall events at Queensland Coal had an unfavourable impact of US\$122 million in the period. Other operating costs were higher due to increased labour costs, a geological discontinuity in the Appin Mine longwall and extended changeout between longwalls at Dendrobium (both Australia). Inflationary pressures also had an unfavourable impact on EBIT and Underlying EBIT.

In addition, in the corresponding period profit on the sales of Elouera mine (Australia) and Queensland coal mining leases were realised.

Energy Coal

Revenue was US\$4,363 million, an increase of US\$1,456 million, or 50.1 per cent, compared to the corresponding period.

Production was 35.3 million tonnes, a decrease of 12 per cent compared to the corresponding period, primarily due to the disposal of Optimum in the prior year.

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EBIT and Underlying EBIT were US\$1,072 million, an increase of US\$795 million, or 287.0 per cent from the corresponding period. The increase in EBIT and Underlying EBIT was mainly due to the higher export prices, favourable exchange rate impact on costs and record production at Hunter Valley Coal (Australia) and Cerrejon Coal (Colombia). These gains were partially offset by higher costs due to inflationary pressures, and increased diesel, labour and contractor costs.

Group and Unallocated items

This category represents corporate activities, including Group Treasury and Freight, Transport and Logistic Operations. EBIT was a loss of US\$822 million, a decrease of US\$655 million, or 392.2 per cent, compared to the corresponding period.

Underlying EBIT was US\$136 million, an increase of US\$303 million compared to the corresponding period. EBIT includes exceptional items of US\$958 million (nil in the corresponding period) in relation to rehabilitation obligations at the Newcastle steelworks and the Group's lapsed offers for Rio Tinto, as explained above.

EBIT and Underlying EBIT were positively impacted by a stronger US dollar against local currency costs and the revaluation of rehabilitation and closure provisions.

Third party sales

We differentiate sales of our production from sales of third party products due to the significant difference in profit margin earned on these sales. The table below shows the breakdown between our production (which includes marketing of equity production) and third party products.

Half-year ended 31 December^(a)

(US\$ Million)

| | Revenue | | |
|-----------------------------|---|---|------------------------------------|
| | Half-year ended 31 December 2008 | Half-year ended 31 December 2007 | Year ended 30 June 2008 |
| Group production | | | |
| Revenue | 25,428 | 21,858 | 51,918 |
| Related operating costs | (13,821) | (12,147) | (27,252) |
| Operating profit | 11,607 | 9,711 | 24,666 |
| Margin ^(b) | 45.6% | 44.4% | 47.5% |
| Third party products | | | |
| Revenue | 4,352 | 3,681 | 7,555 |
| Related operating costs | 4,060 | 3,769 | (7,939) |
| Operating profit | 292 | (88) | (384) |
| Margin ^(b) | 6.7% | (2.4)% | (5.1)% |

(a) Excludes exceptional items

(b) Operating profit divided by revenue

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HALF-YEAR FINANCIAL REPORT

(UNAUDITED)

For the half-year ended

31 December 2008

17

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Table of Contents**Consolidated Income Statement (Unaudited)**

for the half-year ended 31 December 2008

| | Notes | Half-year ended 31 December 2008 US\$M | Half-year ended 31 December 2007 US\$M | Year ended 30 June 2008 US\$M |
|---|-------|--|--|-------------------------------------|
| Revenue | | | | |
| Group production | | 25,428 | 21,858 | 51,918 |
| Third party product | 2 | 4,352 | 3,681 | 7,555 |
| Revenue | 2 | 29,780 | 25,539 | 59,473 |
| Other income | | 287 | 361 | 648 |
| Expenses excluding net finance costs | | (22,843) | (16,414) | (35,976) |
| Profit from operations | | 7,224 | 9,486 | 24,145 |
| Comprising: | | | | |
| Group production | | 6,932 | 9,574 | 24,529 |
| Third party product | | 292 | (88) | (384) |
| | 2 | 7,224 | 9,486 | 24,145 |
| Financial income | 5 | 165 | 124 | 293 |
| Financial expenses | 5 | (497) | (465) | (955) |
| Net finance costs | 5 | (332) | (341) | (662) |
| Profit before taxation | | 6,892 | 9,145 | 23,483 |
| Income tax expense | | (3,537) | (2,683) | (6,798) |
| Royalty related taxation (net of income tax benefit) | | (351) | (269) | (723) |
| Total taxation expense | 6 | (3,888) | (2,952) | (7,521) |
| Profit after taxation | | 3,004 | 6,193 | 15,962 |
| Profit attributable to minority interests | | 387 | 176 | 572 |
| Profit attributable to members of BHP Billiton Group | | 2,617 | 6,017 | 15,390 |
| Earnings per ordinary share (basic) (US cents) | 7 | 47.0 | 107.2 | 275.3 |
| Earnings per ordinary share (diluted) (US cents) | 7 | 47.0 | 106.9 | 274.8 |
| Dividends per ordinary share paid during the period (US cents) | 8 | 41.0 | 27.0 | 56.0 |
| Dividends per ordinary share declared in respect of the period (US cents) | 8 | 41.0 | 29.0 | 70.0 |

The accompanying notes form part of these half-year financial statements.

Table of Contents**Consolidated Statement of Recognised Income and Expense (Unaudited)**

for the half-year ended 31 December 2008

| | Notes | Half-year ended 31 December 2008 US\$M | Half-year ended 31 December 2007 US\$M | Year ended 30 June 2008 US\$M |
|--|-------|--|--|-------------------------------------|
| Profit after taxation | | 3,004 | 6,193 | 15,962 |
| Amounts recognised directly in equity | | | | |
| Actuarial losses on pension and medical schemes | | (339) | (27) | (96) |
| Available for sale investments: | | | | |
| Valuation losses taken to equity | | (24) | (30) | (76) |
| Valuation gains transferred to the income statement | | (11) | | |
| Cash flow hedges: | | | | |
| Gains/(losses) taken to equity | | 694 | (67) | (383) |
| Realised losses transferred to the income statement | | 23 | | 73 |
| Unrealised gain transferred to the income statement | | (48) | | |
| Gains transferred to the initial carrying amount of hedged items | | (26) | (132) | (190) |
| Exchange fluctuations on translation of foreign operations | | 70 | (6) | (21) |
| Tax on items recognised directly in, or transferred from, equity | | (262) | 106 | 306 |
| Total amounts recognised directly in equity | | 77 | (156) | (387) |
| Total recognised income and expense | | 3,081 | 6,037 | 15,575 |
| Attributable to minority interests | 9 | 366 | 176 | 571 |
| Attributable to members of BHP Billiton Group | 9 | 2,715 | 5,861 | 15,004 |

The accompanying notes form part of these half-year financial statements.

Table of Contents**Consolidated Balance Sheet (Unaudited)**

as at 31 December 2008

| Notes | 31 December 2008 US\$M | 31 December 2007 US\$M | 30 June 2008 US\$M |
|--------------------------------------|---------------------------|---------------------------|-----------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 7,195 | 2,294 | 4,237 |
| Trade and other receivables | 5,020 | 5,986 | 9,801 |
| Other financial assets | 1,640 | 1,182 | 2,054 |
| Inventories | 4,883 | 4,410 | 4,971 |
| Current tax assets | 622 | | 119 |
| Other | 327 | 458 | 498 |
| Total current assets | 19,687 | 14,330 | 21,680 |
| Non-current assets | | | |
| Trade and other receivables | 590 | 730 | 720 |
| Other financial assets | 1,810 | 961 | 1,448 |
| Inventories | 182 | 192 | 232 |
| Property, plant and equipment | 46,739 | 44,808 | 47,332 |
| Intangible assets | 652 | 591 | 625 |
| Deferred tax assets | 3,416 | 2,008 | 3,486 |
| Other | 213 | 226 | 485 |
| Total non-current assets | 53,602 | 49,516 | 54,328 |
| Total assets | 73,289 | 63,846 | 76,008 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 5,533 | 5,108 | 6,774 |
| Interest bearing liabilities | 2,156 | 2,580 | 3,461 |
| Other financial liabilities | 1,871 | 985 | 2,088 |
| Current tax payable | 2,055 | 1,592 | 2,141 |
| Provisions | 1,286 | 1,474 | 1,596 |
| Deferred income | 264 | 389 | 418 |
| Total current liabilities | 13,165 | 12,128 | 16,478 |
| Non-current liabilities | | | |
| Trade and other payables | 196 | 201 | 138 |
| Interest bearing liabilities | 9,207 | 11,718 | 9,234 |
| Other financial liabilities | 399 | 628 | 1,260 |
| Deferred tax liabilities | 3,805 | 1,352 | 3,116 |
| Provisions | 6,324 | 6,063 | 6,251 |
| Deferred income | 544 | 498 | 488 |
| Total non-current liabilities | 20,475 | 20,460 | 20,487 |
| Total liabilities | 33,640 | 32,588 | 36,965 |

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| | | | | |
|---|---|---------------|---------|--------|
| Net assets | | 39,649 | 31,258 | 39,043 |
| EQUITY | | | | |
| Share capital BHP Billiton Limited | | 1,227 | 1,226 | 1,227 |
| Share capital BHP Billiton Plc | | 1,116 | 1,128 | 1,116 |
| Treasury shares held | | (522) | (1,336) | (514) |
| Reserves | | 1,168 | 904 | 750 |
| Retained earnings | | 35,783 | 28,958 | 35,756 |
| Total equity attributable to members of BHP Billiton | | | | |
| Group | 9 | 38,772 | 30,880 | 38,335 |
| Minority interests | 9 | 877 | 378 | 708 |
| Total equity | | 39,649 | 31,258 | 39,043 |

The accompanying notes form part of these half-year financial statements.

Table of Contents**Consolidated Cash Flow Statement (Unaudited)**

for the half-year ended 31 December 2008

| | Half-year ended 31 December 2008 US\$M | Half-year ended 31 December 2007 US\$M | Year ended 30 June 2008 US\$M |
|---|--|--|-------------------------------------|
| Operating activities | | | |
| Profit before taxation | 6,892 | 9,145 | 23,483 |
| Adjustments for: | | | |
| Depreciation and amortisation expense | 1,953 | 1,524 | 3,612 |
| Exploration and evaluation expense (excluding impairment) | 496 | 432 | 859 |
| Net loss/(gain) on sale of non-current assets | 17 | (132) | (129) |
| Impairments of property, plant and equipment, investments and intangibles | 3,700 | 157 | 274 |
| Write-down of inventories to net realisable value | 194 | | |
| Employee share awards expense | 89 | 40 | 97 |
| Financial income and expenses | 332 | 341 | 662 |
| Other | (243) | (221) | (629) |
| Changes in assets and liabilities: | | | |
| Trade and other receivables | 5,367 | (70) | (4,255) |
| Inventories | (56) | (692) | (1,313) |
| Net financial assets and liabilities | (556) | 178 | 526 |
| Trade and other payables | (863) | 441 | 1,824 |
| Provisions and other liabilities | (333) | 106 | 137 |
| Cash generated from operations | 16,989 | 11,249 | 25,148 |
| Dividends received | 15 | 9 | 51 |
| Interest received | 114 | 80 | 169 |
| Interest paid | (261) | (393) | (799) |
| Income tax paid | (3,048) | (2,945) | (5,867) |
| Royalty related taxation paid | (715) | (472) | (885) |
| Net operating cash flows | 13,094 | 7,528 | 17,817 |
| Investing activities | | | |
| Purchases of property, plant and equipment | (5,347) | (3,753) | (7,558) |
| Exploration expenditure (including amounts expensed) | (620) | (598) | (1,350) |
| Purchase of intangibles | (6) | (6) | (16) |
| Purchases of financial assets | (15) | (23) | (166) |
| Purchases of, or increased investment in, subsidiaries, operations and jointly controlled entities, net of their cash | (276) | (124) | (154) |
| Deferred payment on sale of operations | (124) | | |
| Cash outflows from investing activities | (6,388) | (4,504) | (9,244) |
| Proceeds from sale of property, plant and equipment | 26 | 19 | 43 |
| Proceeds from sale of financial assets | 57 | 37 | 59 |
| Proceeds from sale or partial sale of subsidiaries, operations and jointly controlled entities, net of their cash | | 78 | 78 |
| Net investing cash flows | (6,305) | (4,370) | (9,064) |
| Financing activities | | | |
| Proceeds from ordinary shares | 20 | 11 | 24 |

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| | | | |
|---|----------------|----------------|----------------|
| Proceeds from interest bearing liabilities | 2,755 | 3,389 | 9,478 |
| Proceeds from debt related swaps | 354 | 342 | 342 |
| Repayment of interest bearing liabilities | (4,208) | (2,264) | (10,228) |
| Purchase of shares by Employee Share Ownership Plan Trusts | (90) | (103) | (250) |
| Share buy-back BHP Billiton Plc | | (3,115) | (3,115) |
| Dividends paid | (2,281) | (1,523) | (3,135) |
| Dividends paid to minority interests | (205) | (48) | (115) |
| Net financing cash flows | (3,655) | (3,311) | (6,999) |
| Net increase/(decrease) in cash and cash equivalents | 3,134 | (153) | 1,754 |
| Cash and cash equivalents, net of overdrafts, at beginning of period | 4,173 | 2,398 | 2,398 |
| Effect of foreign currency exchange rate changes on cash and cash equivalents | (155) | 23 | 21 |
| Cash and cash equivalents, net of overdrafts, at end of period | 7,152 | 2,268 | 4,173 |

The accompanying notes form part of these half-year financial statements.

Table of Contents**Notes to the Half-Year Financial Statements (Unaudited)****1 Accounting policies**

This general purpose financial report for the half-year ended 31 December 2008 is unaudited and has been prepared in accordance with IAS 34

Interim Financial Reporting as issued by the International Accounting Standards Board (IASB), IAS 34 Interim Financial Reporting as adopted by the EU and AASB 134 Interim Financial Reporting as issued by the Australian Accounting Standards Board.

The half-year financial statements do not include all of the information required for a full annual report and are to be read in conjunction with the most recent annual financial report.

The half-year financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the 30 June 2008 annual financial statements contained within the Annual Report on Form 20-F of the BHP Billiton Group.

Rounding of amounts

Amounts in this financial information have, unless otherwise indicated, been rounded to the nearest million dollars.

Comparatives

Where applicable, comparatives have been adjusted to disclose them on the same basis as current period figures.

Exchange rates

The following exchange rates relative to the US dollar have been applied in the financial information:

| | Average Half-year ended 31 December 2008 | Average Half-year ended 31 December 2007 | Average Year ended 30 June 2008 | As at 31 December 2008 | As at 31 December 2007 | As at 30 June 2008 |
|-----------------------|---|---|--|------------------------------|------------------------------|--------------------------|
| Australian dollar (a) | 0.78 | 0.87 | 0.90 | 0.69 | 0.88 | 0.96 |
| Brazilian real | 1.96 | 1.85 | 1.78 | 2.33 | 1.78 | 1.60 |
| Canadian dollar | 1.12 | 1.01 | 1.01 | 1.22 | 0.98 | 1.01 |
| Chilean peso | 578 | 511 | 489 | 642 | 498 | 522 |
| Colombian peso | 2,092 | 2,030 | 1,935 | 2,249 | 2,017 | 1,899 |
| South African rand | 8.83 | 6.94 | 7.29 | 9.39 | 6.80 | 7.91 |
| Euro | 0.71 | 0.71 | 0.68 | 0.71 | 0.68 | 0.63 |
| UK pound sterling | 0.58 | 0.49 | 0.50 | 0.69 | 0.50 | 0.50 |

(a) Displayed as US\$ to A\$1 based on common convention.

2 Business segments

The Group operates nine Customer Sector Groups aligned with the commodities which we extract and market:

| Customer Sector Group | Principal activities |
|-----------------------|--|
| Petroleum | Oil and gas exploration, development, production and marketing |
| Aluminium | Mining of bauxite, refining of bauxite into alumina and smelting of alumina into aluminium metal |

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| | |
|---------------------------------|--|
| Base Metals | Mining of copper, silver, lead, zinc, molybdenum, uranium and gold |
| Diamonds and Specialty Products | Mining of diamonds and titanium minerals |
| Stainless Steel Materials | Mining and production of nickel products |
| Iron Ore | Mining of iron ore |
| Manganese | Mining of manganese ore and production of manganese metal and alloys |
| Metallurgical Coal | Mining of metallurgical coal |
| Energy Coal | Mining and marketing of thermal (energy) coal |

Group and unallocated items represent Group centre functions and certain comparative data for divested assets and investments. Exploration and technology activities are recognised within relevant segments.

It is the Group's policy that inter-segment sales are made on a commercial basis.

Table of Contents**Notes to the Half-Year Financial Statements (Unaudited) continued**

2 Business segments (continued)

| US\$M | Petroleum | Aluminium | Base Metals | Diamonds and Specialty Products | Stainless Steel Materials | Iron Ore | Manganese | Metallurgical Coal | Energy Coal | Group and unallocated items/ eliminations | BHP Billiton Group |
|---|--------------|--------------|----------------|--|---------------------------------|--------------|--------------|-----------------------|----------------|--|--------------------------|
| Half-year ended 31 December 2008 | | | | | | | | | | | |
| Revenue | | | | | | | | | | | |
| Group production | 4,032 | 1,947 | 2,987 | 457 | 980 | 5,902 | 1,863 | 4,854 | 2,321 | 1 | 25,344 |
| Third party product | 127 | 571 | 298 | | 82 | 62 | 53 | 18 | 2,042 | 1,099 | 4,352 |
| Rendering of services | 2 | | | | | 35 | | 41 | | 6 | 84 |
| Inter-segment revenue | 51 | | 1 | | 39 | 21 | | | | (112) | |
| Segment revenue ^(a) | 4,212 | 2,518 | 3,286 | 457 | 1,101 | 6,020 | 1,916 | 4,913 | 4,363 | 994 | 29,780 |
| Segment result | 2,662 | 161 | (258) | 2 | (4,113) | 4,143 | 1,245 | 3,123 | 1,070 | (811) | 7,224 |
| Other attributable income ^(b) | 2 | | | 7 | | | | | 2 | (11) | |
| Profit from operations | 2,664 | 161 | (258) | 9 | (4,113) | 4,143 | 1,245 | 3,123 | 1,072 | (822) | 7,224 |
| Net finance costs | | | | | | | | | | | (332) |
| Income tax expense | | | | | | | | | | | (3,537) |
| Royalty related taxation | | | | | | | | | | | (351) |
| Profit after taxation | | | | | | | | | | | 3,004 |

(a) Revenue not reported in business segments reflects sales of freight and fuel to third parties. Sales of fuel were previously reported as part of Petroleum. This change better reflects management responsibilities for these activities. Comparatives have been restated for all periods presented. The change in presentation results in revenues of US\$502 million for the period ended 31 December 2007 and US\$1,165 million for the year ended 30 June 2008, being reported in Group and unallocated items rather than Petroleum. The impact on Profit from Operations for Petroleum was immaterial.

(b) Other attributable income represents external dividend income and profit from the sale of investments that do not form part of the segment result.

Table of Contents**Notes to the Half-Year Financial Statements (Unaudited) continued**

2 Business segments (continued)

| US\$M | Petroleum | Aluminium | Base Metals | Diamonds and Specialty Products | Stainless Steel Materials | Iron Ore | Manganese | Metallurgical Coal | Energy Coal | Group and unallocated items/ eliminations | BHP Billiton Group |
|--|-----------|-----------|----------------|--|---------------------------------|-------------|-----------|-----------------------|----------------|--|--------------------------|
| Half-year ended 31 December 2007 | | | | | | | | | | | |
| Revenue | | | | | | | | | | | |
| Group production | 3,058 | 2,254 | 5,561 | 418 | 2,413 | 3,538 | 950 | 1,856 | 1,725 | 7 | 21,780 |
| Third party product | 156 | 490 | 996 | | 6 | | 63 | 10 | 1,182 | 778 | 3,681 |
| Rendering of services | 6 | | | | | 22 | | 34 | | 16 | 78 |
| Inter-segment revenue | 48 | | | | | 18 | | | | (66) | |
| Segment revenue (a) | 3,268 | 2,744 | 6,557 | 418 | 2,419 | 3,578 | 1,013 | 1,900 | 2,907 | 735 | 25,539 |
| Segment result | 1,965 | 680 | 3,268 | 69 | 761 | 1,673 | 431 | 523 | 277 | (161) | 9,486 |
| Other attributable income (b) | 3 | | | 3 | | | | | | (6) | |
| Profit from operations | 1,968 | 680 | 3,268 | 72 | 761 | 1,673 | 431 | 523 | 277 | (167) | 9,486 |
| Net finance costs | | | | | | | | | | | (341) |
| Income tax expense | | | | | | | | | | | (2,683) |
| Royalty related taxation | | | | | | | | | | | (269) |
| Profit after taxation | | | | | | | | | | | 6,193 |

Table of Contents**Notes to the Half-Year Financial Statements (Unaudited) continued**

2 Business segments (continued)

| US\$M | Petroleum | Aluminium | Base Metals | Diamonds and Specialty Products | Stainless Steel Materials | Iron Ore | Manganese | Metallurgical Coal | Energy Coal | Group and unallocated items/ eliminations | BHP Billiton Group |
|-------------------------------------|-----------|-----------|----------------|--|---------------------------------|-------------|-----------|-----------------------|----------------|--|--------------------------|
| Year ended 30 June 2008 | | | | | | | | | | | |
| Revenue | | | | | | | | | | | |
| Group production | 7,997 | 4,675 | 13,231 | 969 | 5,040 | 9,246 | 2,844 | 3,818 | 3,921 | | 51,741 |
| Third party product | 254 | 1,071 | 1,543 | | 48 | 108 | 68 | 61 | 2,639 | 1,763 | 7,555 |
| Rendering of services | 10 | | | | | 63 | | 62 | | 42 | 177 |
| Inter-segment revenue | 121 | | | | | 38 | | | | (159) | |
| Segment revenue (a) | 8,382 | 5,746 | 14,774 | 969 | 5,088 | 9,455 | 2,912 | 3,941 | 6,560 | 1,646 | 59,473 |
| Segment result | 5,482 | 1,427 | 7,890 | 180 | 1,237 | 4,631 | 1,644 | 936 | 1,057 | (339) | 24,145 |
| Other attributable income (b) | 3 | 38 | | 9 | | | | 1 | | (51) | |
| Profit from operations | 5,485 | 1,465 | 7,890 | 189 | 1,237 | 4,631 | 1,644 | 937 | 1,057 | (390) | 24,145 |
| Net finance costs | | | | | | | | | | | (662) |
| Income tax expense | | | | | | | | | | | (6,798) |
| Royalty related taxation | | | | | | | | | | | (723) |
| Profit after taxation | | | | | | | | | | | 15,962 |

Table of Contents**Notes to the Half-Year Financial Statements (Unaudited) continued****3 Exceptional items**

Exceptional items are those items where their nature or amount is considered material to the financial report. Such items included within the Group profit for the period are detailed below.

| | Gross US\$M | Tax US\$M | Net US\$M |
|--|----------------|--------------|----------------|
| Half-year ended 31 December 2008 | | | |
| Exceptional items by category | | | |
| Suspension of Ravensthorpe nickel operations | (3,361) | 1,008 | (2,353) |
| Impairment of other operations | (356) | (60) | (416) |
| Newcastle steelworks rehabilitation | (508) | 152 | (356) |
| Lapsed offers for Rio Tinto | (450) | 64 | (386) |
| | (4,675) | 1,164 | (3,511) |
| Exceptional items by segment | | | |
| Petroleum | (11) | 4 | (7) |
| Aluminium | (128) | | (128) |
| Base Metals | (147) | (64) | (211) |
| Diamonds and Specialty Products | (70) | | (70) |
| Stainless Steel Materials | (3,361) | 1,008 | (2,353) |
| Group and unallocated | (958) | 216 | (742) |
| | (4,675) | 1,164 | (3,511) |

Suspension of Ravensthorpe nickel operations:

On 21 January 2009 the Group announced the suspension of operations at Ravensthorpe Nickel Operations (Australia) and as a consequence stopped the processing of the mixed nickel cobalt hydroxide product at Yabulu (Australia). As a result, an impairment charge and increased provisions for rehabilitation of US\$3,361 million (US\$1,008 million tax benefit) were recognised for the half-year ended December 2008.

Impairment of other operations:

As part of the Group's regular review of assets whose values may be impaired, a total charge of US\$356 million (US\$60 million tax charge including derecognition of tax benefits) was recorded primarily in relation to the withdrawal from Suriname operations, suspension of copper sulphide mining at Pinto Valley (US) and write down of the Corridor Sands minerals sands resource (Mozambique).

Newcastle steelworks rehabilitation:

The Group recognised a charge against profits of US\$508 million (US\$152 million tax benefit) for additional rehabilitation obligations in respect of former operations at the Newcastle steelworks (Australia). The increase in obligations relate to increases in the estimated volume of sediment in the Hunter River requiring remediation and treatment, and increases in treatment costs.

Lapsed offers for Rio Tinto:

The Group's offers for Rio Tinto lapsed on 27 November 2008 following the Board's decision that it no longer believed that completion of the offers was in the best interests of BHP Billiton shareholders. The Group incurred fees associated with the US\$55 billion debt facility (US\$156 million cost, US\$5 million tax benefit), investment bankers', lawyers' and accountants fees, printing expenses and other charges (US\$294 million cost, US\$59 million tax benefit) in progressing this matter over the eighteen months up to the lapsing of the offers which have been expensed in

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the six months ended 31 December 2008.

Half-year ended 31 December 2007 and

| Year ended 30 June 2008 | Gross US\$M | Tax US\$M | Net US\$M |
|--|----------------|--------------|--------------|
| Exceptional items by category | | | |
| Recognition of benefit of tax losses in respect of the acquisition of WMC and consequent reduction in goodwill | (137) | 159 | 22 |
| | (137) | 159 | 22 |
| Exceptional items by segment | | | |
| Base Metals | (99) | (34) | (133) |
| Stainless Steel Materials | (38) | (4) | (42) |
| Group and unallocated | | 197 | 197 |
| | (137) | 159 | 22 |

Recognition of benefit of tax losses in respect of the acquisition of WMC and consequent reduction in goodwill:

Tax losses incurred by WMC Resources Ltd (WMC) were not recognised as a deferred tax asset at acquisition pending a ruling application to the Australian Taxation Office. The ruling has now been issued confirming the availability of those losses. This resulted in the recognition of a deferred tax asset (US\$197 million) and consequential adjustment to deferred tax liabilities (US\$38 million) through income tax expense at current exchange rates. As a further consequence the Group recognised an expense for a corresponding reduction in goodwill measured at the exchange rate at the date of acquisition.

Table of Contents**Notes to the Half-Year Financial Statements (Unaudited) continued****4 Interests in jointly controlled entities****Major shareholdings in jointly controlled**

| entities | Ownership interest at BHP Billiton Group reporting date ^(a) | | | Contribution to profit after taxation | | |
|-----------------------------|--|------------------|--------------|---------------------------------------|------------------|--------------|
| | | | | Half-year ended | Half-year ended | Year end |
| | 31 December 2008 | 31 December 2007 | 30 June 2008 | 31 December 2008 | 31 December 2007 | 30 June 2008 |
| | % | % | % | US\$M | US\$M | US\$M |
| Mozal SARL | 47.1 | 47.1 | 47.1 | 135 | 105 | 207 |
| Compañia Minera Antamina SA | 33.75 | 33.75 | 33.75 | 18 | 271 | 615 |
| Minera Escondida Limitada | 57.5 | 57.5 | 57.5 | (177) | 1,705 | 3,930 |
| Samarco Mineracao SA | 50 | 50 | 50 | 320 | 121 | 279 |
| Carbones del Cerrejón LLC | 33.3 | 33.3 | 33.3 | 136 | 47 | 183 |
| Other ^(b) | | | | 29 | 18 | 90 |
| Total | | | | 461 | 2,267 | 5,304 |

(a) The ownership interest at the BHP Billiton Group's and the jointly controlled entity's reporting date are the same. When the annual financial reporting date is different to the Group's, financial information is obtained as at 31 December in order to report on a consistent basis with the Group's reporting date.

(b) Includes immaterial jointly controlled entities and the Richards Bay Minerals joint venture owned 50 per cent (31 December 2007: 50 per cent; 30 June 2008: 50 per cent).

5 Net finance costs

| | Half-year ended 31 December 2008 US\$M | Half-year ended 31 December 2007 US\$M | Year ended 30 June 2008 US\$M |
|---|--|--|-------------------------------------|
| Financial expenses | | | |
| Interest on bank loans and overdrafts | 21 | 28 | 52 |
| Interest on all other borrowings | 239 | 367 | 670 |
| Finance lease and hire purchase interest | 8 | 6 | 14 |
| Dividends on redeemable preference shares | | 1 | 1 |
| Discounting on provisions and other liabilities | 152 | 138 | 310 |
| Discounting on pension and medical benefit entitlements | 67 | 51 | 138 |
| Interest capitalised ^(a) | (64) | (134) | (204) |
| Net fair value change on hedged loans and related hedging derivatives | 27 | 8 | 2 |
| Exchange differences on net debt | 47 | | (28) |
| | 497 | 465 | 955 |

Financial income

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| | | | |
|--|------------|------------|------------|
| Interest income | (107) | (82) | (168) |
| Expected return on pension plan assets | (58) | (42) | (125) |
| | (165) | (124) | (293) |
| Net finance costs | 332 | 341 | 662 |

- (a) Interest has been capitalised at the rate of interest applicable to the specific borrowings financing the assets under construction or, where financed through general borrowings, at a capitalisation rate representing the average interest rate on such borrowings. For the half-year ended 31 December 2008 the capitalisation rate was 3.9 per cent (31 December 2007: 5.7 per cent; 30 June 2008: 5.0 per cent).

6 Taxation

| | Half-year ended 31 December 2008 US\$M | Half-year ended 31 December 2007 US\$M | Year ended 30 June 2008 US\$M |
|--|--|--|-------------------------------------|
| Taxation expense including royalty related taxation | | | |
| UK taxation expense | 428 | 60 | 217 |
| Australian taxation expense | 2,288 | 1,361 | 3,397 |
| Overseas taxation expense | 1,172 | 1,531 | 3,907 |
| Total taxation expense | 3,888 | 2,952 | 7,521 |

The taxation expense including exceptional items was US\$3,888 million, representing an effective rate of 56.4 per cent (31 December 2007: 32.3 per cent; 30 June 2008: 32.0 per cent). Excluding the impacts of exceptional items the taxation expense was US\$5,052 million (31 December 2007: US\$3,111 million; 30 June 2008: US\$7,680 million).

Exchange rate movements increased taxation expense by US\$1,163 million (31 December 2007: increased taxation expense by US\$44 million; 30 June 2008: decreased taxation expense by US\$229 million). The weaker Australian dollar against the US dollar has significantly reduced the Australian deferred tax assets for future tax depreciation since 30 June 2008. This was partly offset by the devaluation of local currency tax liabilities due to the stronger US dollar.

Excluding the impacts of royalty-related taxation, the impact of exchange rate movements included in taxation expense and tax on exceptional items, the underlying effective rate was 30.6 per cent (31 December 2007: 30.1 per cent; 30 June 2008: 30.4 per cent).

Table of Contents**Notes to the Half-Year Financial Statements (Unaudited) continued****7 Earnings per share**

| | Half-year ended 31 December 2008 | Half-year ended 31 December 2007 | Year ended 30 June 2008 |
|--|-------------------------------------|-------------------------------------|----------------------------|
| Basic earnings per ordinary share (US cents) | 47.0 | 107.2 | 275.3 |
| Diluted earnings per ordinary share (US cents) | 47.0 | 106.9 | 274.8 |
| Basic earnings per American Depositary Share (ADS) (US cents) ^(a) | 94.0 | 214.4 | 550.6 |
| Diluted earnings per American Depositary Share (ADS) (US cents) ^(a) | 94.0 | 213.8 | 549.6 |
| Basic earnings (US\$M) | 2,617 | 6,017 | 15,390 |
| Diluted earnings (US\$M) ^(b) | 2,627 | 6,023 | 15,402 |

The weighted average number of shares used for the purposes of calculating diluted earnings per share reconciles to the number used to calculate basic earnings per share as follows:

| | Half-year ended 31 December 2008 Million | Half-year ended 31 December 2007 Million | Year ended 30 June 2008 Million |
|---|--|--|---------------------------------------|
| Weighted average number of shares | | | |
| Basic earnings per ordinary share denominator | 5,565 | 5,615 | 5,590 |
| Shares and options contingently issuable under employee share ownership plans | 21 | 19 | 15 |
| Diluted earnings per ordinary share denominator | 5,586 | 5,634 | 5,605 |

(a) Each American Depositary Share (ADS) represents two ordinary shares.

(b) Diluted earnings are calculated after adding back dividend equivalent payments of US\$10 million (31 December 2007: US\$6 million; 30 June 2008: US\$12 million) that would not be made if potential ordinary shares were converted to fully paid.

8 Dividends

| | Half-year ended 31 December 2008 US\$M | Half-year ended 31 December 2007 US\$M | Year ended 30 June 2008 US\$M |
|--|--|--|---|
| Dividends paid during the period | | | |
| BHP Billiton Limited | 1,377 | 907 | 1,881 |
| BHP Billiton Plc Ordinary shares | 905 | 612 | 1,252 |
| Preference shares ^(a) | | | |
| | 2,282 | 1,519 | 3,133 |
| Dividends declared in respect of the period | | | |
| BHP Billiton Limited | 1,377 | 974 | 2,351 |

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| | | | |
|--|--|--|---|
| BHP Billiton Plc Ordinary shares | 905 | 640 | 1,545 |
| Preference shares ^(a) | | | |
| | 2,282 | 1,614 | 3,896 |
| | | | |
| | Half-year ended 31 December 2008 US cents | Half-year ended 31 December 2007 US cents | Year ended 30 June 2008 US cents |
| Dividends paid during the period (per share) | | | |
| Prior year final dividend | 41.0 | 27.0 | 27.0 |
| Interim dividend | N/A | N/A | 29.0 |
| | 41.0 | 27.0 | 56.0 |
| Dividends declared in respect of the period (per share) | | | |
| Interim dividend | 41.0 | 29.0 | 29.0 |
| Final dividend | N/A | N/A | 41.0 |
| | 41.0 | 29.0 | 70.0 |

(a) 5.5 per cent dividend on 50,000 preference shares of £1 each declared and paid annually (31 December 2007: 5.5 per cent; 30 June 2008: 5.5 per cent).

Dividends are declared after period end in the announcement of the results for the period. Interim dividends are declared in February and paid in March. Final dividends are declared in August and paid in September. Dividends declared are not recorded as a liability at the end of the period to which they relate. Subsequent to half-year end, on 4 February 2009, BHP Billiton declared an interim dividend of 41.0 US cents per share (US\$2,282 million), which was paid on 17 March 2009.

BHP Billiton Limited dividends for all periods presented are, or will be, fully franked based on a tax rate of 30 per cent.

Table of Contents**Notes to the Half-Year Financial Statements (Unaudited) continued****9 Total equity**

| | Attributable to members of BHP Billiton Group | | | Minority interests | | |
|--|---|-----------------------------------|-----------------------------|-----------------------------------|-----------------------------------|--------------------------|
| | Half-year ended 31 December | Half-year ended 31 December | Year ended 30 June | Half-year ended 31 December | Half-year ended 31 December | Year ended 30 June |
| | 2008 | 2007 | 2008 | 2008 | 2007 | 2008 |
| | US\$M | US\$M | US\$M | US\$M | US\$M | US\$M |
| Total equity opening balance | 38,335 | 29,667 | 29,667 | 708 | 251 | 251 |
| Total recognised income and expense for the period | 2,715 | 5,861 | 15,004 | 366 | 176 | 571 |
| Transactions with owners contributed equity | | 5 | 6 | 8 | (1) | (1) |
| Dividends | (2,282) | (1,519) | (3,133) | (205) | (48) | (113) |
| Accrued employee entitlement to share awards | 89 | 40 | 97 | | | |
| Purchases of shares made by ESOP Trusts | (85) | (99) | (231) | | | |
| BHP Billiton Plc share buy-back | | (3,075) | (3,075) | | | |
| Total equity closing balance | 38,772 | 30,880 | 38,335 | 877 | 378 | 708 |

Share buy-backs

BHP Billiton had previously announced US\$13 billion of capital to be returned to shareholders through on-market share buy-backs. All BHP Billiton Plc shares bought back are accounted for as Treasury shares within the share capital of BHP Billiton Plc. Details of the purchases are shown in the table below. Cost per share represents the average cost per share for BHP Billiton Plc shares and final cost per share for BHP Billiton Limited shares. Shares in BHP Billiton Plc purchased by BHP Billiton Limited have been cancelled, in accordance with the resolutions passed at the 2006 Annual General Meetings.

The Group suspended its share buy-back program on 14 December 2007 in light of the Group's offers for Rio Tinto Plc and Rio Tinto Limited. On 27 November 2008 the offers lapsed and since that date no additional share buybacks have been executed.

| Half-Year / Year end | Shares purchased | Number | Cost per share and discount | Total cost US\$M | Purchased by: | |
|-------------------------|---------------------|------------|-----------------------------------|------------------------|-----------------------------------|-------------------------------------|
| | | | | | BHP Billiton Limited Shares | BHP Billiton Plc US\$M Shares |
| 31 December 2007 | BHP Billiton Plc | 96,904,086 | £ 12.37 | 3,075 | 96,904,086 | 3,075 |
| | | | 8.7 per cent ^(a) | | | |
| 30 June 2008 | BHP Billiton Plc | 96,904,086 | £ 12.37 | 3,075 | 96,904,086 | 3,075 |
| | | | 8.7 per cent ^(a) | | | |

(a) Represents the discount to the average BHP Billiton Limited share price between 7 September 2006 and 14 December 2007.

10 Subsequent events

On 21 January 2009, the Group announced commencement of the ramp down and indefinite suspension of the Ravensthorpe Nickel Operation. As a consequence, Yabulu will cease processing product from Ravensthorpe and will revert to processing ore only. Other operations affected by planned adjustments to production and development activity are Mount Keith Nickel, Pinto Valley Copper, Metallurgical Coal, Olympic Dam expansion and copper operations in Chile. The financial impact on the carrying value of assets was taken up as at 31 December 2008 (refer Note

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3). Additional provisions for redundancy, contract termination and closure of approximately US\$550 million will be recorded in the second half of the year ending 30 June 2009.

Other than the matters outlined above, no matters or circumstances have arisen since the end of the half-year that have significantly affected, or may significantly affect, the operations, results of operation or state of affairs of the BHP Billiton Group in subsequent accounting periods.

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Report of Independent Registered Public Accounting Firms

To the members of BHP Billiton Plc and BHP Billiton Limited:

We have reviewed the accompanying condensed consolidated interim balance sheets of the BHP Billiton Group (comprising BHP Billiton Limited, BHP Billiton Plc, and their respective subsidiaries) as of 31 December 2008 and 2007, and the related condensed consolidated income statements, condensed consolidated statements of recognised income and expense and condensed consolidated statements of cash flows for the six-month periods ended 31 December 2008 and 2007. These condensed consolidated interim financial statements are the responsibility of the BHP Billiton Group's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim condensed consolidated financial statements for them to be in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the BHP Billiton Group as of 30 June 2008 and the related consolidated income statement, consolidated statement of recognised income and expense and consolidated statement of cash flows for the year then ended (not presented herein); and in our report dated 15 September 2008 we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of 30 June 2008 and the related condensed consolidated income statement, condensed consolidated statement of recognised income and expense and condensed consolidated statement of cash flows for the year then ended is fairly stated, in all material respects, in relation to the consolidated balance sheet, consolidated income statement, consolidated statement of recognised income and expense and consolidated statement of cash flows from which it has been derived.

KPMG Audit Plc
London, United Kingdom
18 March 2009

KPMG
Melbourne, Australia
18 March 2009

Table of Contents**Exhibit 99.2****BHP Billiton Group****RATIO OF EARNINGS TO FIXED CHARGES**

| | Half year ended 31 December 2008 | Year ended 30 June 2008 | Year ended 30 June 2007 | Year ended 30 June 2006 | Year ended 30 June 2005 |
|--|-------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| In accordance with IFRS | | | | | |
| Earnings | | | | | |
| Income before income taxes, excluding minority interest and equity in earnings of associates and JV s, after exceptional items | 6,892.0 | 23,483.0 | 19,212.0 | 15,116.0 | 9,373.0 |
| <i>add:</i> | | | | | |
| Fixed charges | 339.9 | 885.8 | 846.3 | 740.8 | 501.2 |
| <i>subtract:</i> | | | | | |
| Capitalized Interest | (64.0) | (204.0) | (353.0) | (167.0) | (85.0) |
| Preference security dividend requirements of consolidated subsidiaries | 0.0 | (1.0) | (1.0) | (17.0) | (25.0) |
| Total adjusted earnings | 7,167.9 | 24,163.8 | 19,704.3 | 15,672.8 | 9,764.2 |
| Fixed Charges | | | | | |
| Interest costs (expensed and capitalized) | 268.0 | 736.0 | 680.0 | 640.0 | 400.0 |
| Portion of rent expense representative of interest factor | 71.9 | 148.8 | 165.3 | 83.8 | 76.2 |
| Pre-tax earnings required to cover any preferred stock dividend requirements | 0.0 | 1.0 | 1.0 | 17.0 | 25.0 |
| Total fixed charges | 339.9 | 885.8 | 846.3 | 740.8 | 501.2 |
| Ratio of Adjusted Earnings to Fixed Charges | 21.1 | 27.3 | 23.3 | 21.2 | 19.5 |

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Exhibit 99.3

The Board of Directors

BHP Billiton Limited and BHP Billiton Plc:

Re: Registration Statement No. 333-141218

With respect to the subject registration statement, we acknowledge our awareness of the use therein of our report dated 18 March 2009 related to our review of interim financial information.

Pursuant to Rule 436 under the Securities Act of 1933 (the "Act"), such report is not considered part of a registration statement prepared or certified by an independent registered public accounting firm, or a report prepared or certified by an independent registered public accounting firm within the meaning of Sections 7 and 11 of the Act.

/s/ KPMG Audit Plc

KPMG Audit Plc
London, United Kingdom
18 March 2009

/s/ KPMG

KPMG
Melbourne, Australia
18 March 2009

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Exhibit 99.4

The Directors

18 March 2009

BHP Billiton Limited

180 Lonsdale Street

Melbourne VIC 3000

Dear Directors,

BHP Billiton Finance (USA) Limited

Senior Notes

We have acted as Australian Tax Counsel to BHP Billiton Limited (**Ltd**), BHP Billiton Plc (**Plc**) and BHP Billiton Finance (USA) Limited (the **Company**) in connection with the registration statement on Form F-3 (File No. 333-141218) of the Company, Ltd and Plc filed with the Securities and Exchange Commission (the **Registration Statement**). We refer to the base prospectus in respect of debt securities of the Company dated 18 March 2009 (the **Prospectus**).

We hereby confirm that, in our opinion, having regard to Australian taxation law and practice applicable as of the date of this letter:

- (a) the statements in the Prospectus under the caption "Material Tax Consequences - Australian Taxation", insofar as such statements purport to summarise the Australian law tax consequences of holding debt securities of the Company, fairly and accurately summarise these matters in all material respects; and
- (b) except as disclosed in the Prospectus, under the Applicable Australian Federal or State laws and regulations, no taxes, levies, imposts or charges are required to be deducted or withheld from any payment of interest or principal by the Company, Plc or Ltd to residents of the United States in respect of debt securities of the Company, or Plc's or Ltd's guarantee of such debt securities, respectively.

We consent to the inclusion of this opinion as an exhibit to the Registration Statement and to reference to us under the heading "Material Tax Consequences - Australian Taxation" in the Prospectus.

Yours sincerely,

/s/ Tony Frost

Tony Frost

Director

Greenwoods & Freehills

+61 2 9225 5982

+61 419 447 680

tony.frost@gf.com.au