

Figure 1.C.a- Revenue from business segments for BHP Billiton

CUSTOMER SECTOR GROUP SUMMARY

The following table provides a summary of the performance of the Customer Sector Groups for the 2011 financial year and the corresponding period.

Year ended 30 June (US\$M)	Revenue			Underlying EBIT ⁽ⁱ⁾		
	2011	2010	Change %	2011	2010	Change %
Petroleum	10,737	8,782	22.3%	6,330	4,573	38.4%
Aluminium	5,221	4,353	19.9%	266	406	(34.5%)
Base Metals	14,152	10,409	36.0%	6,790	4,632	46.6%
Diamonds and Specialty Products	1,517	1,272	19.3%	587	485	21.0%
Stainless Steel Materials	3,861	3,617	6.7%	588	668	(12.0%)
Iron Ore	20,412	11,139	83.2%	13,328	6,001	122.1%
Manganese	2,423	2,150	12.7%	697	712	(2.1%)
Metallurgical Coal	7,573	6,059	25.0%	2,670	2,053	30.1%
Energy Coal	5,507	4,265	29.1%	1,129	730	54.7%
Group and unallocated items ⁽ⁱⁱ⁾	385	802	N/A	(405)	(541)	N/A
Less: inter-segment revenue	(49)	(50)	N/A	–	–	N/A
BHP Billiton Group	71,739	52,798	35.9%	31,980	19,719	62.2%

(i) Underlying EBIT includes trading activities comprising the sale of third party product. Underlying EBIT for the Group is reconciled to Profit from operations on page 5.

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

Figure 1.C.b- Production Volumes for BHP Billiton

World-class assets

Actual production volumes for this year and the previous two years are shown below. Further details appear in section 2.3 of this Report.

Year ended 30 June	2011	2010	2009
World-class assets			
Production			
Total Petroleum production (millions of barrels of oil equivalent)	159.38	158.56	137.97
Alumina ('000 tonnes)	4,010	3,841	4,396
Aluminium ('000 tonnes)	1,246	1,241	1,233
Copper ('000 tonnes)	1,139.4	1,075.2	1,207.1
Nickel ('000 tonnes)	152.7	176.2	173.1
Iron ore ('000 tonnes)	134,406	124,962	114,415
Manganese alloys ('000 tonnes)	753	583	513
Manganese ores ('000 tonnes)	7,093	6,124	4,475
Metallurgical coal ('000 tonnes)	32,678	37,381	36,416
Energy coal ('000 tonnes)	69,500	66,131	66,401

Fig. 1.C.c BHP Mine Locations

2.1 BHP Billiton locations

Petroleum

Ref	Country	Fields	Description	Ownership
1	Algeria	Ohanet	Joint operator with Sonatrach for onshore wet gas production ^(a)	45%
2	Algeria	ROD Integrated Development	Onshore oil production ^(a)	38%
3	Australia	Bass Strait	Offshore Victoria oil, condensate, LPG, natural gas and ethane production ^(a)	50%
4	Australia	Minerva	Operator of offshore Victoria natural gas production	90%
5	Australia	North West Shelf	Offshore Western Australia oil, condensate, LPG, natural gas and LNG production ^(a)	8.3–16.7%
6	Australia	Pyrenees	Operator of offshore Western Australia oil production	40–71.4%
7	Australia	Stybarrow	Operator of offshore Western Australia oil production	50%
8	Pakistan	Zamzama	Operator of onshore natural gas production	38.5%
9	Trinidad and Tobago	Angostura	Operator of offshore oil and natural gas production	45%
10	UK	Bruce/Keith	Offshore North Sea oil and natural gas production ^(a)	Bruce – 16% Keith – 31.8%
11	UK	Liverpool Bay	Operator of offshore Irish Sea oil and natural gas production	46.1%
12	US	Fayetteville	Operator of onshore natural gas production	.03–100%
13	US	Gulf of Mexico	Offshore oil, LPG and natural gas production from several fields • Shenzi 44% • Neptune 35% • Starlifter 31% • West Cameron 33.8% • Atlantis 44% ^(a) • Mad Dog 23.9% ^(a) • Genesis 5% ^(a)	

^(a) Jointly or non-operated BHP Billiton Assets or Fields.

^(b) Uranium forms part of the Base Metals Customer Sector Group.

Percentage ownership figures have been rounded to one decimal place.

Aluminium

Ref	Country	Asset	Description	Ownership
14	Australia	Aluminium Australia	A joint venture where we operate the Worsley alumina refinery and Boddington bauxite mine in Western Australia	86%
15	Brazil	Alumar	Integrated alumina refinery and aluminium smelter ^(a)	36–40%
16	Brazil	Mineração Rio do Norte	An open-cut bauxite mine ^(a)	14.8%
17	Mozambique	Aluminium Mozambique	A joint venture where we operate the aluminium smelter (Mozal), located near Maputo	47.1%
18	South Africa	Aluminium South Africa	Hillside and Bayside aluminium smelters, located in Richards Bay	100%

Base Metals

Ref	Country	Asset	Description	Ownership
19	Australia	Cannington	Underground silver, lead and zinc mine, located in northwest Queensland	100%
20	Chile	Pampa Norte	Cerro Colorado and Spence open-cut mines producing copper cathode in the Atacama Desert, northern Chile	100%
21	Chile	Escondida	Comprises the world's largest copper mine, concentrators and solvent extraction plants and port operations	57.5%
22	Peru	Antamina	A joint venture open-cut copper and zinc mine, located in the Andes north-central Peru ^(a)	33.8%
23	US	Base Metals North America	Includes the Pinto Valley open-cut copper mine, located in Arizona	100%

CONT'D

Fig. 1.C.c BHP Mine Locations (Cont'd)

Uranium ^(b)

Ref	Country	Asset	Description	Ownership
24	Australia	Olympic Dam	Large poly-metallic orebody and the world's largest uranium deposit, producing copper, uranium, gold and silver	100%

Diamonds and Specialty Products

Ref	Country	Asset	Description	Ownership
25	Canada	EKATI Diamond Mine	Open-cut and underground diamond mines, located in the Northwest Territories of Canada	80%
26	South Africa	Richards Bay Minerals	Integrated titanium smelter and mineral sands mining operation ^(a)	37.8%

Stainless Steel Materials

Ref	Country	Asset	Description	Ownership
27	Australia	Nickel West	Mt Keith and Leinster nickel-sulphide mines, Kalgoorlie nickel smelter, Kambalda nickel concentrator and the Kwinana nickel refinery	100%
28	Colombia	Cerro Matoso	Integrated laterite ferronickel mining and smelting operation in northern Colombia	99.9%

Iron Ore

Ref	Country	Asset	Description	Ownership
29	Australia	Western Australia Iron Ore	Integrated iron ore mines (Area C, Jimblebar, Yandi, Newman and Yarrrie), and rail and port operations in the Pilbara region of Western Australia	85–100%
30	Brazil	Samarco	Open-cut mine that produces iron ore pellets ^(a)	50%

Manganese

Ref	Country	Asset	Description	Ownership
31	Australia	Manganese Australia	Producer of manganese ore in the Northern Territory (GEMCO) and manganese alloys in Tasmania (TEMCO)	60%
32	South Africa	Manganese South Africa	Mamatwan open-cut and Wessels underground manganese mines and the Metalloys manganese alloy plant	44.4–60%

Metallurgical Coal

Ref	Country	Asset	Description	Ownership
33	Australia	Illawarra Coal	Underground coal mines (West Cliff, Dendrobium, Appin) in southern NSW, with access to rail and port facilities	100%
34	Australia	BHP Billiton Mitsubishi Alliance	Saraji, Goonyella Riverside, Peak Downs, Norwich Park, Gregory Crinum, Blackwater and Broadmeadow open-cut and underground mines in the Queensland Bowen Basin and Hay Point Coal Terminal	50%
35	Australia	BHP Billiton Mitsui Coal	South Walker Creek and Poitrel open-cut coal mines in the Queensland Bowen Basin	80%

Energy Coal

Ref	Country	Asset	Description	Ownership
36	Australia	NSW Energy Coal	Mt Arthur open-cut coal mine	100%
37	Colombia	Cerrejón	An open-cut coal mine, with integrated rail and port operations ^(a)	33.3%
38	South Africa	Energy Coal South Africa	Khutala, Middelburg, Klipspruit, Wolvekrans open-cut and underground mines and coal processing operations	50–100%
39	US	New Mexico Coal	Navajo open-cut and San Juan underground mines	100%

Figure 1.C.d BHP Risk Management Methods

Activity	Key risk management processes
<p>1 Risk mitigation</p> <p>Hedging of revenues with financial instruments may be executed to mitigate risk at the portfolio level when CFaR exceeds the Board-approved limits. Similarly, and on an exception basis, hedging for the purposes of mitigating risk related to specific and significant expenditure on investments or capital projects will be executed if necessary to support the Group's strategic objectives.</p>	<ul style="list-style-type: none"> • Assessment of portfolio CFaR against Board-approved limits • Execution of transactions within approved mandates
<p>2 Economic hedging of commodity sales, operating costs and debt instruments</p> <p>Where group commodity production is sold to customers on pricing terms that deviate from the relevant index target, and where a relevant derivatives market exists, financial instruments may be executed as an economic hedge to align the revenue price exposure with the index target. Where debt is issued in a currency other than the US dollar and/or at a fixed interest rate, fair value hedges may be executed to align the debt exposure with the Group's functional currency of US dollars and/or to swap to a floating interest rate.</p>	<ul style="list-style-type: none"> • Assessment of portfolio CFaR against Board-approved limits • Measuring and reporting the exposure in customer commodity contracts and issued debt instruments • Executing hedging derivatives to align the total group exposure to the index target
<p>3 Strategic financial transactions</p> <p>Opportunistic transactions may be executed with financial instruments to capture value from perceived market over/under valuations.</p>	<ul style="list-style-type: none"> • Exposures managed within value at risk and stop loss limits • Execution of transactions within approved mandates

Primary responsibility for identification and control of financial risks, including authorising and monitoring the use of financial instruments for the above activities and stipulating policy thereon, rests with the Financial Risk Management Committee under authority delegated by the Group Management Committee.

Figure 1.C.d BHP Billiton Governance Structure

BHP Billiton Governance Structure

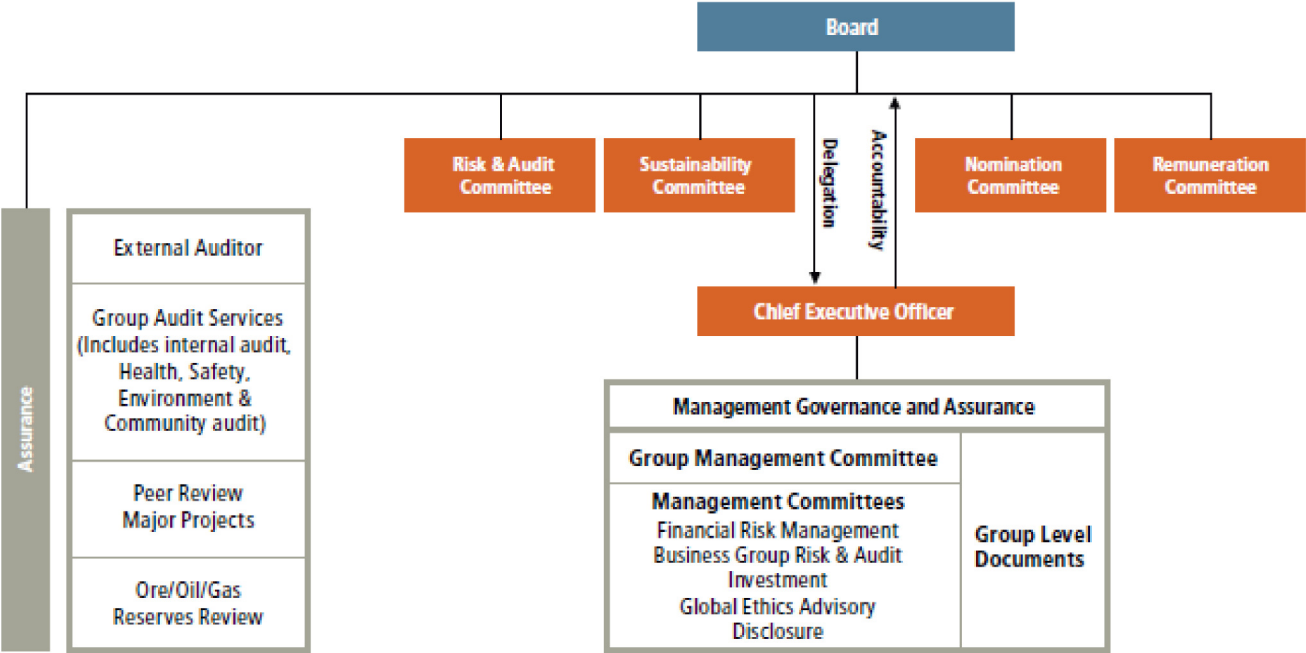


Figure 1.C.e Commodity Derivative Contracts

Forward commodity and other derivative contracts

	2011		2010	
	Fair value of asset US\$M	Fair value of liability US\$M	Fair value of asset US\$M	Fair value of liability US\$M
Aluminium	7	30	21	26
Copper	111	102	83	84
Zinc	2	2	29	19
Lead	6	8	40	26
Silver	18	27	4	9
Nickel	25	13	47	36
Iron ore	2	5	–	2
Energy coal	16	41	21	31
Metallurgical coal	–	–	–	2
Petroleum	4	24	–	33
Gas	129	52	111	31
Freight	24	7	38	13
Other	–	–	–	3
Total	344	311	394	315
Comprising:				
Current	189	232	241	223
Non-current	155	79	153	92

Figure 1.C.f Commodity Price Exposure

The Group's exposure at 30 June 2011 to the impact of movements in commodity prices upon the financial instruments, other than those designated as embedded derivatives, is set out in the following table.

		2011		2010	
		Net exposure receive/ (deliver)	Impact on equity and profit after taxation of 10% movement in market price US\$M	Net exposure receive/ (deliver)	Impact on equity and profit after taxation of 10% movement in market price US\$M
	Units of exposure				
Aluminium	'000 tonnes	(74)	(18)	(8)	(2)
Copper	'000 tonnes	29	27	20	18
Zinc	'000 tonnes	(8)	(2)	4	–
Lead	'000 tonnes	(9)	(2)	(13)	–
Silver	Million ounces	(1)	(1)	(3)	(3)
Nickel	'000 tonnes	(1)	(3)	(1)	(2)
Iron ore	'000 tonnes	1,102	18	273	3
Energy coal	'000 tonnes	1,089	13	1,370	13
Petroleum	'000 barrels	25	2	–	–
Gas	'000 therms	–	–	–	–
Freight	Time charter days	(1,823)	(3)	(1,490)	(4)
	'000 voyage charter tonnes	165	–	510	1

Figure 1.C.g Commodity Price Exposure

The Group's exposure at 30 June 2011 to the impact of movements in commodity prices upon the financial instruments, other than those designated as embedded derivatives, is set out in the following table.

		2011		2010	
		Net exposure receive/ (deliver)	Impact on equity and profit after taxation of 10% movement in market price US\$M	Net exposure receive/ (deliver)	Impact on equity and profit after taxation of 10% movement in market price US\$M
	Units of exposure				
Aluminium	'000 tonnes	(74)	(18)	(8)	(2)
Copper	'000 tonnes	29	27	20	18
Zinc	'000 tonnes	(8)	(2)	4	–
Lead	'000 tonnes	(9)	(2)	(13)	–
Silver	Million ounces	(1)	(1)	(3)	(3)
Nickel	'000 tonnes	(1)	(3)	(1)	(2)
Iron ore	'000 tonnes	1,102	18	273	3
Energy coal	'000 tonnes	1,089	13	1,370	13
Petroleum	'000 barrels	25	2	–	–
Gas	'000 therms	–	–	–	–
Freight	Time charter days	(1,823)	(3)	(1,490)	(4)
	'000 voyage charter tonnes	165	–	510	1

Figure 1.C.h BHP Cash from Operating Activities

	Notes	2011 US\$M	2010 US\$M	2009 US\$M
Operating activities				
Profit before taxation		31,255	19,572	11,617
Adjustments for:				
Non-cash exceptional items		(150)	(255)	5,460
Depreciation and amortisation expense		5,039	4,759	3,871
Net gain on sale of non-current assets		(41)	(114)	(38)
Impairments of property, plant and equipment, financial assets and intangibles		74	35	190
Employee share awards expense		266	170	185
Financial income and expenses		561	459	543
Other		(384)	(265)	(320)
Changes in assets and liabilities:				
Trade and other receivables		(1,960)	(1,713)	4,894
Inventories		(792)	(571)	(116)
Trade and other payables		2,780	565	(847)
Net other financial assets and liabilities		46	(90)	(769)
Provisions and other liabilities		387	(306)	(497)
Cash generated from operations		37,081	22,246	24,173
Dividends received		12	20	30
Interest received		107	99	205
Interest paid		(562)	(520)	(519)
Income tax refunded		74	552	—
Income tax paid		(6,025)	(4,931)	(5,129)
Royalty related taxation paid		(607)	(576)	(906)
Net operating cash flows		30,080	16,890	17,854

Figure 1.C.j - BHP Translational Currency Exposure

	Net financial assets/(liabilities) – by currency of denomination					Total US\$M
	US\$ US\$M	A\$ US\$M	SA rand US\$M	GBP US\$M	Other US\$M	
2011						
<i>Functional currency of Group operation</i>						
US dollars	–	(4,344)	187	23	(1,414)	(5,548)
Australian dollars	(1)	–	–	–	–	(1)
UK pounds sterling	(3)	–	–	–	–	(3)
	(4)	(4,344)	187	23	(1,414)	(5,552)

	Net financial assets/(liabilities) – by currency of denomination					Total US\$M
	US\$ US\$M	A\$ US\$M	SA rand US\$M	GBP US\$M	Other US\$M	
2010						
<i>Functional currency of Group operation</i>						
US dollars	–	(1,398)	90	31	(942)	(2,219)
Australian dollars	(1)	–	–	–	–	(1)
UK pounds sterling	4	–	–	–	–	4
	3	(1,398)	90	31	(942)	(2,216)

Figure 1.C.k BHP, Location of customer revenue

The following table shows the revenue by location of our customers:

Year ended 30 June	Revenue by location of customer		
	2011 US\$M	2010 US\$M	2009 US\$M
Australia	5,487	4,515	4,621
United Kingdom	1,043	1,289	3,042
Rest of Europe	8,370	8,554	7,764
China	20,261	13,236	9,873
Japan	9,002	5,336	7,138
Rest of Asia	15,805	9,840	9,280
North America	6,167	5,547	4,020
South America	2,592	2,013	1,652
Southern Africa	1,548	1,227	1,374
Rest of world	1,464	1,241	1,447
Total revenue	71,739	52,798	50,211

Figure 1.C.L- Interest rate swaps

	Fair value	
	2011 US\$M	2010 US\$M
<i>Interest rate swaps</i>		
US dollar swaps		
<i>Pay floating/receive fixed</i>		
Not later than one year	49	13
Later than one year but not later than two years	109	90
Later than two years but not later than five years	248	200
Later than five years	172	288
<i>Cross currency interest rate swaps</i>		
Euro to US dollar swaps		
<i>Pay floating/receive fixed</i>		
Not later than one year	–	10
Later than two years but not later than five years	134	17
Euro to US dollar swaps		
<i>Pay fixed/receive fixed</i>		
Later than two years but not later than five years	42	–
Later than five years	–	(174)
<i>Forward exchange contracts</i>		
Euro to US dollar foreign exchange contract		
<i>Pay US dollar/receive Euro</i>		
Not later than one year	(53)	(282)
Total fair value of derivatives	701	162

Based on the net debt position as at 30 June 2011, taking into account interest rate swaps and cross currency interest rate swaps, it is estimated that a one percentage point increase in the US LIBOR interest rate will decrease the Group's profit after taxation and equity by US\$25 million (2010: decrease of US\$2 million). This assumes that the change in interest rates is effective from the beginning of the financial year and the fixed/floating mix and balances are constant over the year. However, interest rates and the net debt profile of the Group may not remain constant in the coming financial year and therefore such sensitivity analysis should be used with care.