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- Net debt – comprises Interest bearing liabilities less Cash and cash equivalents for the total operations within the Group at the reporting date.

For our Financial Statements, refer to section 5.

### Financial results for year ended 30 June 2016 compared with year ended 30 June 2015

The following table provides a summary of the Consolidated Income Statement contained in section 5.1.1:

Year ended 30 June	2016 US\$M	2015 US\$M	2014 US\$M
<b>Revenue (1)</b>			
Petroleum	6,894	11,447	14,833
Copper	8,249	11,453	12,789
Iron Ore	10,538	14,753	21,356
Coal	4,518	5,885	6,563
Group and unallocated items/eliminations (2)	713	1,098	1,221
<b>Total revenue</b>	<b>30,912</b>	<b>44,636</b>	<b>56,762</b>
<b>Other income</b>	<b>444</b>	<b>496</b>	<b>1,225</b>
Employee benefits expense	(3,702)	(4,971)	(5,413)
Raw materials and consumables used	(4,063)	(4,667)	(5,540)
Freight and transportation	(2,226)	(2,644)	(3,119)
External services	(4,984)	(6,284)	(6,780)
Third party commodity purchases	(1,013)	(1,165)	(1,702)
Net foreign exchange gains/(losses)	153	469	(168)
Government royalties paid and payable	(1,349)	(1,708)	(2,412)
Depreciation and amortisation expense	(8,661)	(9,158)	(7,716)
Exploration and evaluation expenditure incurred and expensed in the current period	(430)	(670)	(698)
Impairment of assets	(7,394)	(4,024)	(478)
Operating lease rentals	(528)	(636)	(665)
All other operating expenses	(1,290)	(1,552)	(1,832)
<b>Total expenses excluding net finance costs</b>	<b>(35,487)</b>	<b>(37,010)</b>	<b>(36,523)</b>
<b>(Loss)/profit from equity accounted investments, related impairments and expenses</b>	<b>(2,104)</b>	<b>548</b>	<b>1,185</b>
<b>(Loss)/profit from operations</b>	<b>(6,235)</b>	<b>8,670</b>	<b>22,649</b>
Net finance costs	(1,024)	(614)	(914)
Total taxation benefit/(expense)	1,052	(3,666)	(6,780)
<b>(Loss)/profit after taxation from Continuing operations</b>	<b>(6,207)</b>	<b>4,390</b>	<b>14,955</b>
<b>(Loss)/profit after taxation from Discontinued operations</b>	<b>-</b>	<b>(1,512)</b>	<b>269</b>
<b>(Loss)/profit after taxation from Continuing and Discontinued operations</b>	<b>(6,207)</b>	<b>2,878</b>	<b>15,224</b>
Attributable to non-controlling interests	178	968	1,392
Attributable to owners of BHP Billiton Group	<b>(6,385)</b>	<b>1,910</b>	<b>13,832</b>

(1) Includes the sale of third party products and excludes revenue from investments accounted for using the equity method.

(2) Group and unallocated items includes functions, other unallocated operations, including Potash (previously disclosed in the former Petroleum and Potash reportable segment), Nickel West and consolidated adjustments. Revenue not attributable to reportable segments comprises the sale of freight and fuel to third parties, as well as revenues from unallocated operations.

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Revenue of US\$30.9 billion reduced by US\$13.7 billion, or 31 per cent, from US\$44.6 billion in FY2015. This decrease was primarily attributable to weaker average realised prices across all major commodities. For a discussion of the average realised prices of our commodities, refer to section 1.8.1. Lower volumes during the year, particularly for copper at Escondida (due to anticipated grade decline) and Onshore US (deferral of development activity for value), also contributed to the decline in revenue. For production results from our operations during the periods, refer to section 6.2.

Total expenses of US\$35.5 billion reduced by US\$1.5 billion, or four per cent, from US\$37.0 billion in FY2015. This was due to a US\$1.3 billion reduction in Employee benefits expense related to lower headcount, a US\$1.3 billion reduction in External services related to lower contractor expenditure and a US\$604 million reduction in Raw materials and consumables used due to lower fuel and energy costs.

Depreciation and amortisation expense declined by US\$497 million due to a reduction in the depreciable asset base at Onshore US due to impairments previously recorded. Impairment of assets of US\$7.4 billion in FY2016 primarily relates to Onshore US assets.

(Loss)/profit from operations of US\$(6.2) billion reduced by US\$14.9 billion from FY2015 primarily as a result of a significant decline in commodity prices, the impairment of the Onshore US assets and the financial impacts of the Samarco dam failure (refer to section 1.13.2), partially offset by the cost reductions described above.

Net finance costs of US\$1.0 billion increased by US\$410 million, or 67 per cent, from US\$614 million in FY2015 due to the issue of multi-currency hybrid notes during FY2016 (refer to section 1.13.3 and note 19 'Net debt' to the Financial Statements), higher benchmark interest rates and a gain on the early redemption of the Petrohawk Energy Corporation Senior Notes in FY2015.

The Group's statutory effective tax rate for FY2016 presents as nil (FY2015: 45.5 per cent) because we recognised a total taxation benefit of US\$1.1 billion (including government imposed royalty-related taxation calculated by reference to profits), and a loss before taxation for the period of US\$7.3 billion. The Group's adjusted effective tax rate was 35.8 per cent (FY2015: 31.8 per cent). The increase in the Group's adjusted effective tax rate in FY2016 reflects the relative higher proportion of profit from Australian petroleum assets (which are subject to a higher rate of tax due to the Petroleum Resource Rent Tax) in the Group's overall profit compared to FY2015.

The adjusted effective tax rate is reconciled to the statutory effective tax rate in the table below:

Year ended 30 June	2016			2015		
	(Loss)/profit before taxation	Income tax benefit/(expense)	%	(Loss)/profit before taxation	Income tax benefit/(expense)	%
	US\$M	US\$M		US\$M	US\$M	
<b>Statutory effective tax rate</b>	<b>(7,259)</b>	<b>1,052</b>	<b>-</b>	<b>8,056</b>	<b>(3,666)</b>	<b>45.5%</b>
Adjusted for:						
Exchange rate movements	-	125		-	339	
Exceptional items	9,704	(2,053)		3,196	(250)	
<b>Adjusted effective tax rate</b>	<b>2,445</b>	<b>(876)</b>	<b>35.8%</b>	<b>11,252</b>	<b>(3,577)</b>	<b>31.8%</b>

Government royalties paid and payable which are not profit based are recognised as operating costs within (Loss)/profit before taxation. These amounted to US\$1.3 billion during the period (FY2015: US\$1.7 billion).

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**Financial results for the year ended 30 June 2015 compared with year ended 30 June 2014**

Revenue of US\$44.6 billion reduced by US\$12.2 billion, or 21 per cent, from US\$56.8 billion in FY2014. The decrease was primarily attributable to weaker average realised prices across all major commodities, which more than offset additional revenue attributable to increased volumes during the year.

Other income of US\$496 million reduced by US\$729 million from US\$1.2 billion in FY2014, mainly due to the gain on sale for the Pinto Valley mining operation of US\$551 million recognised in FY2014.

Total expenses of US\$37.0 billion increased by US\$487 million, or one per cent, from US\$36.5 billion in FY2014. The increase was due to a US\$3.5 billion increase in impairments and US\$1.4 billion increase in depreciation and amortisation. Impairment of assets in FY2015 mainly related to Onshore US assets (US\$2.8 billion) and Nickel West assets (US\$409 million). This increase more than offset the reduction in operating costs across the Group.

Reductions in operating expenses included a US\$873 million reduction in Raw materials and consumables used due to lower fuel and energy costs, a US\$704 million reduction in Government royalties paid and payable in line with lower revenue, a US\$637 million favourable exchange rate movement (including a favourable restatement of monetary items in the balance sheet) and a US\$537 million reduction in Third party commodity purchases primarily at Petroleum. Further reductions included a US\$496 million reduction in External services, US\$475 million reduction in Freight and transportation and US\$442 million reduction in Employee benefits expense.

(Loss)/profit from operations of US\$8.7 billion reduced by US\$13.9 billion from FY2014 primarily as a result of a significant decline in commodity prices and impairments of Onshore US and Nickel West assets, partially offset by the reductions in operating costs described above.

Net finance costs of US\$614 million decreased by US\$300 million, or 33 per cent, from US\$914 million in FY2014 due to foreign exchange gains on finance leases and the early redemption of the Petrohawk Energy Corporation Senior Notes in August 2014, which resulted in a gain on redemption and lower interest expense.

The Group's statutory effective tax rate for FY2015 was 45.5 per cent (FY2014: 31.2 per cent), due to the recognition of a total taxation expense of US\$3.7 billion (including government imposed royalty-related taxation calculated by reference to profits). The Group's adjusted effective tax rate was 31.8 per cent (FY2014: 32.2 per cent). An exceptional item of US\$698 million tax expense (2014: US\$ nil) was recognised on a Continuing operations basis for the derecognition of deferred taxes upon the repeal of the MRRT legislation in Australia.

The adjusted effective tax rate is reconciled to the statutory effective tax rate in the table below:

Year ended 30 June	2015			2014		
	(Loss)/profit before taxation US\$M	Income tax benefit/(expense) US\$M	%	(Loss)/profit before taxation US\$M	Income tax benefit/(expense) US\$M	%
<b>Statutory effective tax rate</b>	<b>8,056</b>	<b>(3,666)</b>	<b>45.5%</b>	<b>21,735</b>	<b>(6,780)</b>	<b>31.2%</b>
Adjusted for:						
Exchange rate movements	-	339		-	(34)	
Remeasurement of deferred tax assets associated with the MRRT	-	-		-	(170)	
Exceptional items	3,196	(250)		(551)	166	
<b>Adjusted effective tax rate</b>	<b>11,252</b>	<b>(3,577)</b>	<b>31.8%</b>	<b>21,184</b>	<b>(6,818)</b>	<b>32.2%</b>

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Government royalties paid and payable which are not profit based are recognised as operating costs within (Loss)/profit before taxation. These amounted to US\$1.7 billion during the period (2014: US\$2.4 billion).

### Discontinued operations

South32's contribution to BHP Billiton's FY2015 results comprised a US\$1.5 billion Loss after taxation. Details of the contribution of the South32 assets to the Group's results are disclosed in note 26 'Discontinued operations' to the Financial Statements.

### Cash flow statement

The following table provides a summary of the Consolidated Cash Flow Statement contained in section 5.1.4 to show the key sources and uses of cash during the periods presented:

Year ended 30 June	2016 US\$M	2015 US\$M	2014 US\$M
Cash generated from operations	12,671	21,620	29,318
Dividends received	301	740	1,264
Net interest paid	(702)	(541)	(795)
Taxation paid	(1,645)	(4,025)	(6,147)
<b>Net operating cash flows from Continuing operations</b>	<b>10,625</b>	<b>17,794</b>	<b>23,640</b>
Net operating cash flows from Discontinued operations	-	1,502	1,724
<b>Net operating cash flows</b>	<b>10,625</b>	<b>19,296</b>	<b>25,364</b>
Purchases of property plant and equipment	(6,946)	(11,947)	(15,224)
Exploration expenditure	(765)	(816)	(986)
Exploration expenditure expensed and included in operating cash flows	430	670	698
Net investment and funding of equity accounted investments	40	117	(29)
Other investing	(4)	474	407
<b>Net investing cash flows from Continuing operations</b>	<b>(7,245)</b>	<b>(11,502)</b>	<b>(15,134)</b>
Net investing cash flows from Discontinued operations	-	(1,066)	(700)
Cash disposed on demerger of South32	-	(586)	-
<b>Net investing cash flows</b>	<b>(7,245)</b>	<b>(13,154)</b>	<b>(15,834)</b>
Net proceeds from/(repayment of) interest bearing liabilities	4,607	(728)	(1,011)
Contributions from non-controlling interests	-	53	1,435
Dividends paid	(4,130)	(6,498)	(6,387)
Dividends paid to non-controlling interests	(87)	(554)	(119)
Other financing activities	(106)	(346)	(354)
<b>Net financing cash flows from Continuing operations</b>	<b>284</b>	<b>(8,073)</b>	<b>(6,436)</b>
Net financing cash flows from Discontinued operations	-	(203)	(32)
<b>Net financing cash flows</b>	<b>284</b>	<b>(8,276)</b>	<b>(6,468)</b>
<b>Net increase/(decrease) in cash and cash equivalents from Continuing operations</b>	<b>3,664</b>	<b>(1,781)</b>	<b>2,070</b>
<b>Net increase in cash and cash equivalents from Discontinued operations</b>	<b>-</b>	<b>233</b>	<b>992</b>
Cash disposed on demerger of South32	-	(586)	-

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Net operating cash flows after interest and tax of US\$10.6 billion reduced by US\$8.7 billion from FY2015. The major contributor was a US\$8.9 billion decrease in cash generated from operations (after changes in working capital balances), which was partially offset by a decrease of US\$2.4 billion in net taxes paid. Despite the significant decline in commodity prices, we generated US\$3.4 billion of free cash flow (net operating cash flows less net investing cash flows) during FY2016 due to a reduction in operating costs and a targeted reduction of working capital.

Net investing cash flows of US\$7.2 billion reduced by US\$5.9 billion from FY2015 due to a US\$5.1 billion reduction in capital and exploration expenditure. Exploration expenditure was US\$765 million, including US\$430 million classified within Net operating cash flows.

Net financing cash inflows of US\$284 million increased by US\$8.6 billion from outflows of US\$8.3 billion in FY2015, due to the issue of multi-currency hybrid notes during FY2016 (refer to section 1.13.3 and note 19 'Net debt' to the Financial Statements) and lower dividends paid in line with the new dividend policy.

### Financial results for the year ended 30 June 2015 compared with year ended 30 June 2014

Net operating cash flows from Continuing operations after interest and tax of US\$17.8 billion reduced by US\$5.8 billion from FY2014. The major contributor was a US\$7.7 billion decrease in cash generated from operations (after changes in working capital balances), which was partially offset by a decrease of US\$2.1 billion in net taxes paid. Despite the significant decline in commodity prices, we generated US\$6.3 billion of free cash flow (net operating cash flows from Continuing operations less net investing cash flows from Continuing operations) during FY2015 as we further improved both operating and capital productivity.

Net investing cash flows from Continuing operations of US\$11.5 billion reduced by US\$3.6 billion from FY2014 due to a US\$3.4 billion reduction in capital and exploration expenditure. Exploration expenditure was US\$816 million, including US\$670 million classified within Net operating cash flows.

Net financing cash outflows from Continuing operations of US\$8.1 billion increased by US\$1.6 billion from FY2014, due to a decrease in contributions from non-controlling interests of US\$1.4 billion due to the equity proceeds received for the sale of 15 per cent interest in Jimblebar in July 2013 and higher dividends paid to non-controlling interests of US\$435 million.

### Capital expenditure

Capital and exploration expenditure is disclosed for each segment in the table below:

Year ended 30 June	2016 US\$M	2015 US\$M Restated	2014 US\$M Restated
<b>Capital and exploration expenditure (1)</b>			
Petroleum (2)	3,107	5,590	6,479
Copper	2,850	3,912	3,808
Iron Ore	1,153	2,048	3,118
Coal	316	749	2,000
Group and unallocated items (2)	285	464	805
<b>BHP Billiton Group</b>	<b>7,711</b>	<b>12,763</b>	<b>16,210</b>

(1) Capital expenditure is presented on a cash basis; it excludes capitalised interest, but includes capitalised exploration. Exploration expenditure is capitalised in accordance with our accounting policies, as set out in note 10 'Property, plant and equipment' to the Financial Statements.

(2) Group and unallocated items includes functions, other unallocated operations, including Potash (previously disclosed in the former Petroleum and Potash reportable segment), Nickel West and consolidation adjustments. Comparative information for FY2015 and FY2014 have been restated for the effects of the change in the reporting related to Potash.

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Capital expenditure encompasses expenditure on major projects, as set out in section 6.4, and capital expenditure on sustaining and other items.

Year ended 30 June	2016 US\$M	2015 US\$M	2014 US\$M
<b>Capital expenditure</b>	<b>6,946</b>	<b>11,947</b>	<b>15,224</b>
<b>Exploration expenditure</b>			
Petroleum	590	567	600
Minerals	175	249	386
<b>Total exploration expenditure</b>	<b>765</b>	<b>816</b>	<b>986</b>
<b>Capital and exploration expenditure (cash basis)</b>	<b>7,711</b>	<b>12,763</b>	<b>16,210</b>
Add: equity accounted investments	269	434	871
Less: capitalised deferred stripping (1)	(750)	(815)	(1,275)
<b>Less: non-controlling interests</b>	<b>(834)</b>	<b>(1,342)</b>	<b>(1,198)</b>
<b>Capital and exploration expenditure (BHP Billiton share)</b>	<b>6,396</b>	<b>11,040</b>	<b>14,608</b>

(1) Capitalised deferred stripping includes US\$183 million attributable to non-controlling interests in FY2016 (FY2015: US\$142 million; FY2014: US\$243 million).

BHP Billiton's share of capital and exploration expenditure declined by 42 per cent during FY2016 to US\$6.4 billion. On a cash basis, capital and exploration expenditure was US\$7.7 billion, a decrease of 40 per cent from FY2015. Our rate of investment is expected to decline to US\$5.4 billion on a cash basis and to US\$5.0 billion BHP Billiton's share in FY2017.

### Financial results for the year ended 30 June 2015 compared with year ended 30 June 2014

BHP Billiton's share of capital and exploration expenditure declined by 24 per cent during FY2015 to US\$11.0 billion. On a cash basis, capital and exploration expenditure was US\$12.8 billion, a decrease of 21 per cent from FY2014.

### 1.13.2 Underlying financial measures

We use several financial measures to monitor the financial performance of our overall strategy. The two key non-IFRS measures are Underlying attributable profit and Underlying EBITDA. Underlying attributable profit is the key performance indicator against which short-term incentive outcomes for our senior executives are measured. Underlying EBITDA is the key non-IFRS measure that management uses internally to assess the performance of our segments and make decisions on the allocation of resources and, in our view is more relevant to capital intensive industries with long-life assets.

#### Underlying attributable profit

Underlying attributable profit of US\$1.2 billion decreased by US\$5.2 billion from FY2015 due to a significant decline in commodity prices.