

BHP BILLITON LTD  
Form 6-K  
May 12, 2015

**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**  
**May 12, 2015**

**BHP BILLITON LIMITED**

**(ABN 49 004 028 077)**

**(Exact name of Registrant as specified in its charter)**

**VICTORIA, AUSTRALIA**

**(Jurisdiction of incorporation or organisation)**

**171 COLLINS STREET, MELBOURNE,**

**VICTORIA 3000 AUSTRALIA**

**(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):

**BHP BILLITON PLC**

**(REG. NO. 3196209)**

**(Exact name of Registrant as specified in its charter)**

**ENGLAND AND WALES**

**(Jurisdiction of incorporation or organisation)**

**NEATHOUSE PLACE, VICTORIA, LONDON,**

**UNITED KINGDOM**

**(Address of principal executive offices)**

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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): n/a

NEWS RELEASE

**Release Time** IMMEDIATE

**Date** 12 May 2015

**Number** 10/15

**SUPERIOR CASH RETURNS AND GROWTH THROUGH THE CYCLE**

BHP Billiton today outlined how the Company is well positioned to create value through the cycle following the demerger of South32.

Ahead of the Bank of America Merrill Lynch 2015 Global Metals, Mining & Steel Conference in Barcelona, Chief Executive Officer, Andrew Mackenzie, provided new efficiency targets for BHP Billiton's major businesses and explained how the Company's financial strength and development projects would support its progressive dividend over both the short and long term.

In recent years we have made great strides towards becoming the most efficient supplier of our chosen commodities and secured productivity gains of nearly US\$10 billion. We believe we can go even further with a simpler portfolio and improve margins by reducing costs more deeply than the competition, he said.

The potential benefits are substantial. We expect to cut unit costs at Western Australia Iron Ore by 21 per cent<sup>2</sup> to US\$16 per tonne during the 2016 financial year. Unit costs at Escondida are expected to fall by 16 per cent on a grade adjusted basis. And we expect drilling costs per well in the Black Hawk to average US\$2.9 million – a reduction of 20 per cent.

Mr Mackenzie said capital and exploration expenditure would fall to US\$9 billion<sup>2</sup> in the 2016 financial year from US\$12.6 billion in 2015. The reduction reflects ongoing improvements in capital productivity along with the deferral of some shale development and the Inner Harbour Debottlenecking project in Western Australia Iron Ore – decisions that will further improve the returns of the Company's growth portfolio. In its Onshore US business, BHP Billiton now anticipates capital expenditure to be US\$1.5 billion in the 2016 financial year to support a development program with ten operated rigs.

We will continue to invest in our high quality projects to create long term value and support dividend growth. The iron ore and metallurgical coal markets are currently well supplied and we do not expect to invest significantly more in these businesses at this time. Instead our capital will be focused on the commodities we believe will have attractive supply fundamentals, he said.

We believe grade decline in copper and field decline in oil will constrain industry production and support a recovery in prices over the medium term. The potash industry has largely exhausted brownfield expansion options and new greenfield supply will be required.

1 Percentage reductions relative to the level reported for the six months to 31 December 2014.

2 2016 financial year guidance is based on an exchange rate of AUD/USD 0.80 and USD/CLP 631.

Our diverse portfolio of growth options will allow us to select the markets in which we can create the most value.

Over the next decade, our attractive growth projects at Spence, Olympic Dam and Escondida will help us to embed BHP Billiton as one of the largest and lowest cost copper producers. In Petroleum, the development of our Onshore US acreage, conventional projects like Mad Dog 2, and exploration opportunities such as our program in Trinidad and Tobago will build on our foundation as one of the most competitive independent producers in shale and offshore. And following completion of the shafts, Jansen will be the potash industry's most advanced option to bring on new greenfield supply.

Mr Mackenzie added: BHP Billiton's investments are expected to generate substantial value. Our pipeline of development projects has an expected average rate of return in excess of 20 per cent<sup>3</sup> and we will continue to test all investment decisions against challenging criteria that include buying back our own shares.

In conclusion, he said: Our portfolio of low-cost assets is unrivalled in scale and quality and we have the sector's strongest balance sheet. Together these give us resilience and flexibility in volatile markets. As we improve our productivity and invest in high-return projects through commodity cycles, we expect to offer our shareholders superior returns.

Further information on BHP Billiton can be found at: [www.bhpbilliton.com](http://www.bhpbilliton.com).

## **Disclaimer**

### **Forward-looking statements**

This release contains forward-looking statements, which may include statements regarding, among other things: trends in commodity prices and currency exchange rates; 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; capital costs and scheduling; operating costs and shortages of materials and skilled employees; anticipated productive lives of projects, mines and facilities; provisions and contingent liabilities; tax and regulatory developments.

Forward-looking statements can be identified by the use of terminology such as intend, aim, project, anticipate, estimate, plan, believe, expect, may, should, will, continue, annualised or similar words.

These statements discuss future expectations concerning the results of operations or financial condition, or provide other forward-looking statements. 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, and which may cause actual results to differ materially from those expressed in the statements contained in this release. Readers are cautioned not to put undue reliance on forward-looking statements.

For example, future revenues from our operations, projects or mines described in this release 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, the expansion of certain facilities or mines, or the continuation of existing operations.

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 profitably to 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 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; labour unrest; and other factors identified in the risk factors discussed in BHP Billiton's filings with the US Securities and Exchange Commission (the SEC) (including in Annual Reports on Form 20-F) which are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

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

**No offer of securities**

Nothing in this release should be construed as either an offer to sell or a solicitation of an offer to buy or sell BHP Billiton securities in any jurisdiction, or be treated or relied upon as a recommendation or advice by BHP Billiton.

3 Ungeared, post tax, nominal return for future investments; valuation date 1 July 2015.

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SIGNATURES

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

BHP Billiton Limited and BHP Billiton Plc

Date: May 12, 2015

By: /s/ Rachel Agnew

Name: Rachel Agnew

Title: Company Secretary