



# BHP Billiton Limited

## Off-market buy-back

### THIS DOCUMENT IS IMPORTANT

If you wish to find out more information with a view to participating in the BHP Billiton Limited off-market buy-back, you should follow the process outlined in this information flyer.

Dear Shareholder,

### BHP announces an off-market share buy-back

On Thursday 1 November 2018, BHP announced that it plans to return US\$10.4 billion to its shareholders through the combination of an off-market buy-back (**Buy-Back**) of BHP Billiton Limited shares (**Shares**), and a special dividend (**Special Dividend**), which BHP intends to pay after the completion of the Buy-Back. This shareholder return program will deliver on BHP's commitment to return to shareholders the net proceeds from the sale of its Onshore US assets in a timely manner, and will generate value for all BHP shareholders.

This information flyer relates to BHP Billiton Limited's intention to buy back Shares to the value of US\$5.2 billion (A\$7.3 billion)<sup>(1)</sup> in an off-market tender process, as part of BHP's shareholder return program. All shareholders are expected to benefit from the Buy-Back as (i) for some BHP Billiton Limited shareholders, depending on their tax status, the after-tax return from participating in the Buy-Back may be greater than the return from the sale of their Shares on-market; (ii) the Buy-Back is expected to improve return on equity, cash flow per share and earnings per share for all shareholders who continue to hold shares in BHP; and (iii) the Buy-Back is considered to be an efficient means of returning capital to shareholders, including as a result of the discount of up to 14 per cent available to BHP Billiton Limited under the Buy-Back.

The purpose of this letter is to inform you of the Buy-Back and to communicate how you can participate in the Buy-Back after reading the Buy-Back information booklet (**Buy-Back Booklet**). Participation in the Buy-Back is voluntary and may or may not suit your particular circumstances.

### Are you eligible to participate?

You may participate in the Buy-Back if Shares are registered in your name on Wednesday 7 November 2018. BHP Billiton Limited does not anticipate that shareholders who are resident outside Australia will participate, as they are likely to obtain a better outcome by selling their Shares on-market. Certain excluded foreign persons, including shareholders in the United States (**US**), US persons and residents of Canada, will not be eligible to participate in the Buy-Back. In addition, American Depositary Receipts (**ADRs**) and restricted employee shares may not be tendered into the Buy-Back.

More information about eligibility is outlined in the Buy-Back Booklet.

## Why you may wish to participate

BHP Billiton Limited will repurchase Shares under the Buy-Back at a discount of up to 14 per cent to the volume weighted average price (**VWAP**) of the Shares (**Buy-Back Price**), where the VWAP will be calculated for the five trading day period up to and including the closing date of the Buy-Back (**Market Price**). Eligible shareholders of BHP Billiton Limited may tender some or all of their Shares at discounts of between 10 per cent and 14 per cent inclusive (at one per cent intervals) to the Market Price or as a final price tender (which is an election to receive the Buy-Back Price). Eligible shareholders may also impose a minimum price condition on their tender, and if the Buy-Back Price is less than the minimum price specified, then that shareholder's tender will not be accepted. The Buy-Back Price will be determined according to the tenders lodged by eligible shareholders and the Market Price.

Under the Buy-Back tender process, BHP Billiton Limited will buy all Shares tendered by eligible shareholders who elect to receive the Buy-Back Price or who tender their Shares at a discount greater than or equal to the final Buy-Back discount determined under the tender process, subject to any required scale back. The scale back mechanism, consistent with market practice, has been structured to minimise eligible registered shareholders with small holdings from being disadvantaged. All tendered Shares that are accepted by BHP Billiton Limited will be bought back at the Buy-Back Price, even if they are tendered at a discount that represents a price below the Buy-Back Price.

It is likely that the Shares could be sold on-market at a price that will be higher than the Buy-Back Price as shareholders are being invited to tender Shares into the Buy-Back at discounts to the Market Price. However, for some BHP Billiton Limited shareholders, depending on their individual circumstances, the Buy-Back may provide a greater after-tax return than the return from selling their Shares on-market. The Buy-Back will have different tax consequences for different shareholders. As such, BHP Billiton Limited strongly recommends shareholders seek their own professional advice (including financial and tax advice) about the implications of participation in the Buy-Back in respect of their own individual circumstances.

## Where to get more information

If you are interested in participating in the Buy-Back, you must read the Buy-Back Booklet, which has more information about the Buy-Back, the off-market tender process and how to participate in the Buy-Back.

You can download the Buy-Back Booklet from BHP's website at [bhp.com/buyback2018](http://bhp.com/buyback2018) from Thursday 8 November 2018, until the expected Buy-Back closing date of Friday 14 December 2018, or you may request a paper copy along with a personalised tender form by calling the Buy-Back enquiry line (details provided below). You will not be able to participate in the Buy-Back if you do not choose one of these options.

The Buy-Back tender period is expected to open on Monday 19 November 2018, and is expected to close on Friday 14 December 2018. You are encouraged to obtain the Buy-Back Booklet as soon as possible if you are interested in participating in the Buy-Back. Other key dates are summarised in this flyer.

## How to participate

If you would like to participate, please follow these steps:

### 1. Obtain the Buy-Back Booklet (available from Thursday 8 November 2018)

- Download from the website [bhp.com/buyback2018](http://bhp.com/buyback2018); or
- Request a paper copy by calling the Buy-Back enquiry line on 1300 366 363 within Australia or +61 3 9415 4020 from outside Australia (8.30am to 5.30pm (AEDT) on business days) (Note: an automated response facility operates outside these times).

### 2. Read the Buy-Back Booklet

- The Buy-Back Booklet is an important document containing details of the Buy-Back. You must read all the information in the Buy-Back Booklet before deciding whether to participate in the Buy-Back.

### 3. Decide whether to participate

- Participation in the Buy-Back is entirely voluntary.
- If you do not wish to participate in the Buy-Back, you can do nothing and retain your existing shareholding.
- If you decide to participate after obtaining and reading the Buy-Back Booklet, please follow the instructions in the Buy-Back Booklet and ensure the bank account nominated for your holdings is correct.

## Important dates<sup>(2)</sup>

Buy-Back announcement	1 November 2018
Last day that Shares can be acquired to be eligible for franking credit entitlements under the Buy-Back <sup>(3)</sup>	1 November 2018
Last day that Shares can be acquired to be eligible to participate in the Buy-Back <sup>(4)</sup>	5 November 2018
Shares quoted ex-entitlement to participate in the Buy-Back on the Australian Securities Exchange (Shares acquired on or after this date will not confer an entitlement to participate in the Buy-Back)	6 November 2018
Determination of eligible BHP Billiton Limited shareholders entitled to participate in the Buy-Back ( <b>Buy-Back Record Date</b> )	7 November 2018
Expected completion of mail out of Buy-Back information flyer to eligible shareholders	15 November 2018
Buy-Back tender period opens	19 November 2018
Buy-Back tender period closes ( <b>Closing Date</b> ). Tenders must be received by 5.00pm (AEDT)	14 December 2018
Announcement of the Buy-Back Price and any scale back	17 December 2018
Special Dividend determined and announced	17 December 2018
Expected completion of dispatch/crediting of Buy-Back proceeds to successful BHP Billiton Limited shareholders	24 December 2018
Special Dividend currency conversion into South African Rand	4 January 2019
Last day to trade cum-dividend on Johannesburg Stock Exchange	8 January 2019
Special Dividend ex-dividend date (Johannesburg Stock Exchange)	9 January 2019
Last day to trade cum-dividend on Australian Securities Exchange, London Stock Exchange and New York Stock Exchange <sup>(5)</sup>	9 January 2019
Special Dividend ex-dividend date (Australian Securities Exchange, London Stock Exchange and New York Stock Exchange <sup>(5)</sup> )	10 January 2019
Special Dividend record date (including currency conversion and currency election dates for Australian Securities Exchange and London Stock Exchange)	11 January 2019
Special Dividend payment date	30 January 2019

## IMPORTANT NOTICE

### Not for distribution or release in or into the United States or Canada.

This document does not constitute, or form part of, any offer or invitation to sell, or any solicitation of any offer to purchase any securities in any jurisdiction, nor shall it or the fact of its distribution be relied on in connection with any contract thereof. No indications of interest in the Buy-Back are sought by this document, which relates to the BHP shareholder return program. Shareholders who are (or nominees who hold BHP Billiton Limited shares on behalf of or for the account or benefit of persons who are) in the United States or US persons (within the meaning of Regulation S under the United States Securities Act of 1933, as amended), residents of Canada or who are otherwise excluded foreign persons will not be eligible to participate in the Buy-Back described in this document. ADRs and restricted employee shares may not be tendered into the Buy-Back. Buy-Back documents, including the booklet describing the terms of the Buy-Back and tender forms, when issued, will not be distributed or released in or into the United States or Canada.

<sup>(1)</sup> At transacted rate.

<sup>(2)</sup> While BHP does not anticipate any changes to these times and dates, it reserves the right to vary them without notification.

<sup>(3)</sup> Shares acquired after this date will generally not satisfy the 45-day rule for the purposes of determining an Australian shareholder's franking credit entitlement on the Buy-Back.

<sup>(4)</sup> Shares acquired on Friday 2 November 2018 or Monday 5 November 2018 will carry an entitlement to participate in the Buy-Back but will not be eligible for franking credits under the Buy-Back, pursuant to the 45-day rule.

<sup>(5)</sup> BHP Billiton Limited and BHP Billiton Plc shares are listed in the form of American Depositary Shares (**ADSs**) and traded as ADRs on the New York Stock Exchange. Each ADS represents two ordinary shares.

**BHP**

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