Rio Tinto

Aluminium industry update and key challenges

Alf Barrios, chief executive, Aluminium
Aluminium contributes to a better life – driving long-term demand

- Lower GHG emissions through **lighter vehicles** and buildings and through its **recyclability**

- Bringing **energy efficiency** for cities and **buildings** in an energy constrained world

- Preserving food and medicines through its unique barrier properties
Robust demand outlook

<table>
<thead>
<tr>
<th>Year</th>
<th>Rest of World</th>
<th>China</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>14</td>
<td>20</td>
<td>34</td>
</tr>
<tr>
<td>2010</td>
<td>17</td>
<td>24</td>
<td>41</td>
</tr>
<tr>
<td>2011</td>
<td>19</td>
<td>26</td>
<td>45</td>
</tr>
<tr>
<td>2012</td>
<td>21</td>
<td>26</td>
<td>47</td>
</tr>
<tr>
<td>2013</td>
<td>24</td>
<td>27</td>
<td>51</td>
</tr>
<tr>
<td>2014</td>
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<td>54</td>
<td>81</td>
</tr>
<tr>
<td>2015</td>
<td>47</td>
<td></td>
<td>98</td>
</tr>
<tr>
<td>2020</td>
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<td></td>
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<tr>
<td>2025</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2030</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

CAGR (2014-30) - 4%

Source: CRU and Rio Tinto

### Demand Growth (index)

- **Aluminium**: 90 in 2013, 130 in 2019
- **Copper**: 90 in 2013, 130 in 2019
- **Thermal Coal**: 90 in 2013, 130 in 2019
- **Steel**: 90 in 2013, 130 in 2019

Source: Rio Tinto
Fundamentals improving

Primary Aluminium Balance
(million tonnes)

Source: CRU and Rio Tinto

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Continued volatility near-term

**Price**
($US per tonne)

Source: LME, Platts and Metal Bulletin

**Market Premiums**
($US per tonne)

Source: Platts and Metal Bulletin
Strong bauxite fundamentals

China Imports
(million tonnes)

Source: China customs and Rio Tinto
## Rio Tinto aluminium: clear focused strategy

### Tier one bauxite
- **Competitive advantage**: Industry-leading bauxite position

### First quartile smelters
- **Strategic focus**: Cash generation
- **Competitive advantage**: Low-cost, renewable energy portfolio

### Key enablers
- Alumina supply and security
- Commercial excellence

### Strategic goal
- Industry-leading performance through the cycle
RTA leading bauxite position driving value-accretive growth

### Leading bauxite position

Global bauxite resources / reserves (Billion tonnes)

<table>
<thead>
<tr>
<th></th>
<th>Resources</th>
<th>Reserves</th>
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</thead>
<tbody>
<tr>
<td>RTA</td>
<td>3.5</td>
<td></td>
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<tr>
<td>Rusal</td>
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<tr>
<td>EGA</td>
<td>2.0</td>
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<tr>
<td>BHP</td>
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<tr>
<td>Alcoa/AWAC</td>
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<td>Harita</td>
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<tr>
<td>Chalco</td>
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</tbody>
</table>

1 Rio Tinto group Bauxite Reserves and Resources are aggregated from the managed operations as listed in Rio Tinto’s 2014 Annual Report dated 6 March 2015 and released to ASX on 6 March 2015. The Competent Persons responsible for that previous reporting were L McAndrew (AusIMM Reserves), J Bower (AusIMM Resources), D Butty (EuroGeol Resources/Reserves), R Aglinakos (AusIMM Resources) and JPC de Mel Franco (AusIMM Reserves). Rio Tinto is not aware of any new information or data that materially affects these Reserve or Resource estimates, and confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. Mineral Resources are reported exclusive of Ore Reserves.

2 Competitor data taken from published company data. For BHP the Resources are reported inclusive of Ore Reserves.
RTA first quartile smelting business

Aluminium cost curves
Operating cost (US$ per tonne)

Source: CRU

Including the Kitimat modernisation project

Arvida Aluminium Smelter AP60 Technology Centre – Saguenay, Canada
Rio Tinto: valued partner for the MENA aluminium industry

• Offering support from mine to refining and smelting
  – Technology
  – Secure, high-quality bauxite supply for increasing needs
  – Marketing and operational excellence

• Strong track record and commitment to regional social-economic development