Rio Tinto
Aluminium Seminar
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Mineral resources, reserves and production targets

Mineral Resources and Ore Reserves
Details of Rio Tinto group Bauxite Mineral Resource and Ore Reserve estimates which appear on slides 27, 41 and 52 of this presentation are estimates, or an aggregation of the estimates, previously reported at pages 199 and 204 of Rio Tinto’s 2014 Annual Report dated 4 March 2015 which can be located at www.riotinto.com/ar2014. The Competent Persons responsible for that previous reporting were L McAndrew (AusIMM Reserves), J Bower (AusIMM Resources), D Butty (EuroGeol Resources/Reserves), R Aglinskas (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, and that the form and context in which the Resource and Reserve estimates are presented have not been materially modified. Mineral Resources are reported exclusive of Ore Reserves.

Production Targets
The production target which appears on slides 29 and 41 was disclosed in a media release dated 27 November 2015 (“Rio Tinto approves US$1.9 billion Amrun (South of Embley) bauxite project”). All the material assumptions underpinning that production target continue to apply and have not materially changed since the date of that release.
Rio Tinto

Introduction

Alf Barrios, chief executive, Aluminium
Rio Tinto

Aluminium and bauxite market fundamentals

Vivek Tulpulé, head of Economics & Markets
Independent advice
Report to CFO

Extensive data collection
Primary research
Internal and external resources

Risk and scenario analysis
Rigorous testing of results
Understand and quantify uncertainty

Fundamental demand and supply analysis
Proprietary cost curves
Detailed sectoral country modelling
Aluminium value chain

- **Bauxite**
  - Large global resource base
  - Grade and location key drivers of value
  - Declining Chinese domestic grades
- **Alumina**
  - Increasingly de-linked from LME
  - High level of vertical integration
  - High capital intensity outside China
- **Aluminium**
  - Strong demand growth outlook
  - Near-term oversupply
  - Competitive advantage of Q1 hydro-based smelters

4-6 tonnes bauxite = 2 tonnes alumina = 1 tonne aluminium
Aluminium market gradually moving back to balance

- Aluminium still dealing with excess inventory and capacity overhang from the global financial crisis
- Market rebalancing delayed by rapid Chinese capacity growth
- Supply growth outside China mostly contained to India and Middle East
- Prices cutting deep into cost curve
- Rapid recovery unlikely and expect stock to only gradually revert back to long-run levels over next five years

Source: CRU Group
Robust growth in global aluminium demand

- Rising incomes in developing countries and efforts to achieve environmental targets will be aluminium intensive
- The transport sector is expected to be the major source of aluminium demand growth over next decade
- Excluding transport, other uses will collectively still account for around half of global demand growth
- 3.5-4% long-term average growth

**Global aluminium demand**
Semi-manufactured products, percentage

Source: Rio Tinto
Transport sector is the key driver of future aluminium growth

- Increasing aluminium penetration into the transport sector, particularly cars
- Aluminium offers a cost-effective route for meeting emissions targets through light-weighting of cars
- Transport sector demand is further supported by the expected strong growth in transport services
- Aluminium per passenger vehicle in North America expected to increase 60% by 2030

Source (Top chart): Rio Tinto, Ducker International
Source (Bottom chart): World Bank OICA, Rio Tinto
Aluminium products typically have shorter lifecycles and high recycle rates

Aluminium products have shorter life spans
Expected life of metal consumed in 2015

- Average aluminium lifecycles are lower than other metals due to high proportion of manufactured goods
- High recycle rates are a key part of aluminium’s green credentials and this will moderate primary demand
- Scrap reduces demand for primary aluminium by about one percentage point – still a positive outlook

Source: Rio Tinto
China’s aluminium sector facing headwinds

Headwinds facing China’s aluminium smelting sector

**Policy changes**
- Moves towards pricing carbon
- Reduced coal utilisation on the coast

**Industry specific**
- Declining bauxite quality will lead to higher alumina production costs
- Increasing alumina costs due to bauxite quality

**Policy changes**
- Reduced ability and rationale to heavily subsidise loss-making industries
- SoE reforms and fewer subsidies

**Macroeconomic**
- China wage growth of ~6% pa
- Continued appreciation of the RMB

**Policy reform**
- Increasing costs of capital
- Reduce capital allocations to heavy industry

**Financial reforms**
Demand for bauxite and alumina has grown rapidly in China

Rapid growth in bauxite demand
Million tonnes of bauxite equivalent$^1$

- China’s demand for bauxite and alumina has increased 16% per year since 2005
- 65% of the growth has been met by increased domestic bauxite production
- North China’s bauxite production has accounted for most of domestic growth

$^1$Assumes a bauxite to alumina ratio of 2.4. Imported bauxite shown after subtracting stock accumulation.
Source: Rio Tinto, GTIS, CRU Group
Availability of quality bauxite reserves is deteriorating

North China’s bauxite reserves
Estimated reserves available for smelter grade alumina production, years of current production

• Since 2009, a deterioration in the average quality of China bauxite reserves has occurred
• This deterioration has coincided with the development of the coastal refining industry in Shandong
• Over the next 10 years, the declining quality and availability is likely to create opportunities for seaborne supply to feed inland refineries if new domestic resources are not found

1Current production refers to bauxite production in North China for the year the reserve is quoted. Mining losses and demand from refractories have been removed
Source: CM Group, Rio Tinto
Majority of China’s aluminium industry is far from its bauxite reserves

China’s aluminium industry, 2014

- Most China alumina refineries are located in northern provinces of Shanxi, Henan and Shandong
- China’s bauxite reserves are predominately located in southern provinces of Guangxi and Guizhou
- The cost of transporting alumina is high
- Inland refineries continue to be built most rapidly in Shanxi and Henan, which will be accessible to seaborne producers, due to low cost transport
Strong demand creates compelling opportunity for bauxite growth

The world needs increasing volumes of aluminium: 3.5-4% growth

Strong demand growth will return the aluminium market to balance

Declining size and quality of domestic bauxite resource positive for imports

Attractive Chinese bauxite import demand growth outlook of up to 8%
Rio Tinto

Generating value through the cycle

Alf Barrios, chief executive, Aluminium
Safety is a fundamental business priority

Aluminium all injury frequency rate
Per 200,000 hours worked

Note: Year-to-date 2015 represents January to September (inclusive).
## Clear focused strategy

<table>
<thead>
<tr>
<th>Bauxite</th>
<th>First quartile smelters</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Competitive advantage</strong></td>
<td><strong>Q1 smelters based on low-cost, low carbon power</strong></td>
</tr>
<tr>
<td>Industry-leading bauxite position</td>
<td></td>
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<tr>
<td><strong>Strategic focus</strong></td>
<td><strong>Productivity improvement and cash flow generation</strong></td>
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<tr>
<td>Market-paced growth</td>
<td></td>
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<tr>
<td><strong>Key enablers</strong></td>
<td></td>
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<tr>
<td>Alumina: competitive security of supply to our smelters</td>
<td></td>
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<tr>
<td>Sales &amp; Marketing: commercial excellence from mine to customer</td>
<td></td>
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<tr>
<td><strong>Strategic goal</strong></td>
<td><strong>Leading performance through the cycle</strong></td>
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</tbody>
</table>

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Consistently increasing shareholder value

**Portfolio optimisation** with curtailments and disposals

**Increased bauxite exports by 15% since 2013**

**Alumina conversion cost position from Q4 to Q2 since 2013**

**Smelting cost position from 40th to 11th percentile since 2013**

**Kitimat first hot metal in Q2 2015 reaching full capacity early 2016**

**Cash costs reduced by over $1.1 billion since the start of 2013**
Over $1.1 billion of cost reductions since 2013

- Consistently exceeded our cash reduction targets over last 3 years
- Cumulative reduction of over $1.1 billion from:
  - Raw materials down $456 million
  - Production fixed costs cut $437 million
  - Functional support costs down $211 million from lower headcount and services restructuring
- Excludes the benefit from weaker exchange rates and oil
Disciplined on costs and capital

<table>
<thead>
<tr>
<th>Headcount¹</th>
<th>Full time equivalents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>15,346</td>
</tr>
<tr>
<td>2014</td>
<td>14,120</td>
</tr>
<tr>
<td>2015F</td>
<td>12,623</td>
</tr>
</tbody>
</table>

-8%  -11%

<table>
<thead>
<tr>
<th>Sustaining capex</th>
<th>US$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>747</td>
</tr>
<tr>
<td>2014</td>
<td>674</td>
</tr>
<tr>
<td>2015F</td>
<td>629</td>
</tr>
</tbody>
</table>

-10%  -7%

<table>
<thead>
<tr>
<th>Working capital</th>
<th>US$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1,174</td>
</tr>
<tr>
<td>2014</td>
<td>828</td>
</tr>
<tr>
<td>2015F</td>
<td>432</td>
</tr>
</tbody>
</table>

-29%  -48%

¹ Includes the impact of assets divested in the period.
We continue to outperform our peers

Upstream EBITDA margin

Percentage

Rio Tinto Aluminium
Competitors

1 Rio Tinto internal analysis which includes adjustments to externally reported EBITDA margins, trading, procurement and marine revenues to report performance on a comparable basis. Analysis excludes the Gove alumina refinery. Competitors included in the analysis are Rusal, Hydro, Alcoa and Chalco.
Operating and commercial excellence is embedded across the business

<table>
<thead>
<tr>
<th>6% increase in Australian bauxite production with low capital in last 12 months</th>
<th>Modifications to Gove bauxite loading facilities to utilise post-panamax ships saving $3 million per annum in freight</th>
</tr>
</thead>
<tbody>
<tr>
<td>6% Gladstone alumina production increase in 2015 from productivity improvements</td>
<td>New 1.2 MW solar power station at Weipa reducing CO₂ emissions by 1,600 tonnes per annum</td>
</tr>
<tr>
<td>Alma amperage drove ~7% creep increase over last 2 years</td>
<td>First company to launch low CO₂ Aluminium product adding $6 million EBITDA in 2015</td>
</tr>
</tbody>
</table>
Unlocking value in 2015 – reducing costs by $300 million and further reducing working capital

<table>
<thead>
<tr>
<th>Bauxite</th>
<th>Alumina</th>
<th>Smelting</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔ $8 million savings in</td>
<td>✔ 21% savings in unit energy costs in Gladstone</td>
<td>✔ $133 million reduction in goods and services</td>
</tr>
<tr>
<td>HME servicing and spares</td>
<td></td>
<td>refineries</td>
</tr>
<tr>
<td>at Weipa</td>
<td></td>
<td>More than 21% savings on contractors, consumable parts and relining costs</td>
</tr>
<tr>
<td>22% savings including ongoing impact of $4 million per annum</td>
<td>Contract renegotiations, increased production and energy optimisation</td>
<td></td>
</tr>
<tr>
<td>✔ $9 million reduction in</td>
<td>✔ 10% reduction in general inventories in Gladstone</td>
<td></td>
</tr>
<tr>
<td>developed ore inventory at</td>
<td></td>
<td>refineries</td>
</tr>
<tr>
<td>Weipa</td>
<td></td>
<td>Supply chain optimisation led to an average decline of 105kt in alumina inventories</td>
</tr>
<tr>
<td>Reducing developed ore stocks by 31% and saving $2 million</td>
<td>Review of rotatable spares and maintenance schedules</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Reducing developed ore stocks by 31% and saving $2 million
$300 million in cost reductions targeted in 2016

Cash generation focus continues with 850+ improvement initiatives underway

- 150+ bauxite improvement initiatives
- 200+ alumina improvement initiatives
- 500+ smelting improvement initiatives

Targeting $300 million in additional cost reductions in 2016
Leading bauxite resource and market positions

Unrivalled Tier 1 assets

- Largest bauxite position with interests in four of the world’s major bauxite mines
- Well located to supply increasing demand in China and the Middle East

Market-paced growth

- Growth options in both Pacific and Atlantic regions, starting with Amrun at Cape York

Leveraging commercial capabilities

- Further establishing Cape York bauxite as preferred product for Chinese imports
- Expected to export ~18 million tonnes to China this year from Weipa and Gove

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1 Refer to the statements supporting the above Rio Tinto resource and reserve estimates and relevant Competent Person references set out on slide 3 of this presentation.
2 Competitor data taken from published company data. For South32, Resources are reported inclusive of Ore Reserves. EGA and Rusal only report Resources. AWAC and Chalco only report Reserves.
Growing high margin, third party bauxite sales

- Growing our third party sales to meet demand from our customers
- Generating attractive margins based on our competitive advantages:
  - Large and secure source of supply
  - Low-cost mining assets
  - High alumina content
  - Proximity to China
Amrun is a Tier 1 investment

- Attractive Chinese import bauxite demand growth outlook
- First quartile delivered mining costs
- Over 40 year mine life
- Low capital intensity of ~$83/t
- Compelling project return in excess of 20%
- 22.8Mtpa\(^1\) to replace East Weipa and increase exports by ~10Mt/a
- Attractive expansion options
- Solidifying Cape York as product of choice for seaborne market

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\(^1\) Refer to the statements supporting Rio Tinto’s resources, reserves and production targets on slide 3 of this presentation.

\(^2\) IRR based on CRU price assumptions.
150+ bauxite improvement initiatives underway

Reducing production costs

• Replacing vehicle haulage used to move bauxite to the port at the Gove bauxite mine with a special purpose conveyor
  - Reduced operating costs by $14 million per annum and increased bauxite export capability

Improving mobile equipment asset management

• Improve asset utilisation of our mining fleet and heavy mobile equipment to extend asset life and improve return on capital employed
  - Delivering a reduction in capital expenditure of $23 million at the Weipa operations over the next five years without increasing operational risk

Increasing plant production

• Application of operational excellence and advanced analytics to improve performance and debottleneck the Gove bauxite operations
  - Delivering a further 2.7 million tonnes per annum of bauxite production capacity, a site increase of 38% in 2017 compared to today
Improving our alumina conversion cost position

Conversion cost curve
US$ per tonne

- Conversion costs down 37 percentile points since 2013:
  - Fully curtailed high-cost Gove refinery
  - Increased production at Yarwun and QAL refineries by 712 kt/a or 14%
  - Cost reduction through operational excellence, workforce restructuring and supply contract renegotiation
- Vaudreuil turnaround from Q3 to Q1 with new business model - subcontracting strategy, productivity improvement and energy optimisation
- Continue aggressive conversion cost reduction initiatives at our refineries

¹ CRU and internal analysis
200+ alumina improvement initiatives underway

Enhancing contracting strategy to reduce costs

- Consolidating 750,000 contract hours a year at Yarwun and retendering to save over $10 million per annum, starting in 2016
- Similar initiative implemented in Vaudreuil in 2012 saved $17 million per annum

Leveraging asset management strategy to reduce operating costs

- Changes to the asset management strategy to reduce the cost of cleaning of Clarifier tanks by 47%, reducing operating costs by over $2 million at Yarwun
- This improvement philosophy will be applied to other tanks at Yarwun with a similar anticipated saving

Reducing inventory

- Reviewing inventory levels and optimising supply chain across the alumina business to reduce working capital
  - Decommissioning of a 140kt storage shed, reducing alumina inventory by 43% and reducing variability in alumina product quality
  - Delivering $20 million reduction in working capital at QAL
Improving our smelting cost position

Business operating cost curve\(^1\)
US$ per tonne

- Reducing to 11\(^{th}\) percentile since 2013:
  - Portfolio rationalisation with divestment of Alucam and Soral
  - Fixed cost per tonne reduced 37%
  - Modernised and expanded Kitimat moves from Q4 to Q1
- Creeping at 1%, ahead of industry average
- Measures in place to ensure all sites remain free cash flow positive in 2016

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\(^1\) CRU and internal analysis. The business operating cost includes hot metal and cold metal costs net of market and product premiums. Kitimat is included at full ramped-up capacity.
Kitimat ramp-up on track to be a first decile smelter

- Modernised and expanded Kitimat smelter to deliver 50% more capacity with half the emissions
- Self-generated and fully-owned hydro power
- First hot metal June 2015
- Close to 60% of the 384 pots now energised
- On track to reach nameplate capacity early in 2016
- Once fully ramped up, will be in the first decile of the industry cost curve
- Well located to supply metal into North American and Asian markets
500+ smelting improvement initiatives underway

Leveraging our Aluminium Operations Centre

- Skilled resources centralised in one location to improve our smelters’ performance and reduce overall support costs
  - Close to half of our global smelting production under 24/7 monitoring & control, with the remainder to follow in 2016

Continuously improving our world-class assets

- Improved Dunkerque productivity by 18% in 2015 to further strengthen their cost position
- Targeted benchmark exercises at other sites underway with savings realised this year and more to come in 2016

Enhancing contract strategy

- Reassessing contract coverage and terms to reduce cost
  - Renegotiated rates and terms with contractors resulted in excess of $8 million savings in 2015 with initiative continuing in 2016
Rio Tinto’s low-cost power is a sustainable competitive advantage

Industry average smelting costs by quartile
US$ per tonne

- Power is the single most important differentiator of cost position
- 80% power from low carbon sources; 55% self-generated
- Rio Tinto’s unrivalled hydro power assets in Canada:
  - Long-life water rights in Quebec and British Columbia
  - Lowest cost power portfolio in aluminum industry
  - Low CO₂ emissions, 83% below industry average of 12 tonnes

1 CRU and internal analysis. Excludes casting.
Leading performance through the cycle

Safety of our people remains a key priority

Strong focus on cash generation across all assets

- Further improve current bauxite mining operations
- Aggressively reposition alumina refineries
- Continue driving the smelting portfolio further down first cost quartile

Tier 1 Amrun investment delivers attractive returns
Rio Tinto

20 minute break
Rio Tinto

Generating value through the cycle

Alf Barrios, chief executive, Aluminium
Rio Tinto

World-class projects and productivity

Greg Lilleyman, group executive, Technology & Innovation
T&I delivers major projects and productivity improvements

**World-class projects**
- **Project Shaping**: including strategic production planning
- **Major Project Delivery**: of world-class projects
- **Capital Effectiveness**: optimising portfolio and delivering best-in-class capital efficiency
- **Technical Assurance**: independent reviews

**World-class productivity**
- **Productivity Generation**: productivity and innovation pipeline
- **Technical Discipline Leadership**: global processes and strategic technical risk management
- **Flagship Projects**: asset management, energy productivity and innovation
Amrun is a Tier 1 investment

- Cape York Bauxite
  - 1.5 billion tonnes Ore Reserves\(^1\)
  - 1.9 billion tonnes Mineral Resources\(^1\)

- Amrun project
  - New mine, port and associated infrastructure
  - 22.8Mtpa\(^1\) to replace East Weipa and increase exports by ~10Mt/a
  - Capex of $1.9 billion
  - First quartile delivered mining costs
  - First shipments in H1 2019
  - Over 40 year mine life
  - Further expansion options to 50Mtpa

\(^1\) Refer to the statements supporting Rio Tinto’s resources, reserves and production targets on slide 3 of this presentation.
Low-cost, high-grade bauxite well-located for exports to China

Amrun - key operational components

1. Bauxite mine
   - Surface mining
   - Free dig (no blasting)
   - 0.5 – 1m overburden
   - 3 – 5m bauxite
   - Re-using haul trucks
   - Reduces capex

2. Load & Haul
   - Utilising existing mine fleet from East Weipa

3. Process
   - 22.8Mtpa beneficiation plant at Boyd Point
   - High grade bauxite
   - 50-55% alumina content

4. Shiploader
   - 9,000tph shiploader
   - Capacity to load ~2 Panamax ships a day

5. Port
   - Single Panamax ship berth
   - Delivering bauxite exports to China & our own Gladstone refineries
Using significant project expertise to maximise capital efficiency

Capital estimate for Amrun
US$ billion
2.6

- Original cost Mar-15
- Cost savings
- FX
- Approved capex

- Reduced initial capital by around $400 million after exchange impact
- Majority capital spend in 2017/2018
- Leveraging lessons learnt from recent major projects
- Using local contractors and leveraging large scale contractors with local knowledge

Capital spend timeline
US$ million

Capital spend by category
Percentage

- Port
- Processing plant
- Supporting infrastructure
- Transportation infrastructure
- Tailings

Investment timeline
2015 | 2016 | 2017 | 2018 | 2019
Amrun timeline and construction workforce

Note: The timeline includes engineering, procurement and construction phases.
Delivering productivity across the Group

### Advanced technology deployment

- **Mine of the Future™ technologies**
  - Ops/ excellence centres
  - Advanced analytics
  - Automation

### World-class asset management

- Optimised asset servicing
- Predictive asset health
- Standardised maintenance practice

### Energy productivity

- Transparent energy measurement
- Power optimisation
- Diesel efficiencies

### Applications in Rio Tinto Aluminium

- Operating centre now open, with c.50% of smelting capacity online
- Advanced analytics leading to increased bauxite production

- Improvements in asset management across Aluminium, with $45 million annual target

- Energy productivity target of $12 million
- New 1.2MW solar power station at Weipa reduces CO₂ emissions and reduces fuel usage
Advancing productivity at Andoom

- Upgraded to advanced plant control system enabling:
  - Dynamic constraint control utilising advanced analytics
  - Targeted de-bottlenecking
- Deployed enhanced operational tactics
- Very low capital (~$2 million) to upgrade key components
T&I delivers significant value

World-class projects

- Best-in-class project portfolio
- High-quality investment options
- Reduced capital intensity
- Strategic technical risk management

World-class productivity

- Group-wide deployment of technology and productivity
- Leading the mining industry in step-change innovations
- Moving beyond industry norms
Rio Tinto

Maximising value from mine to market

Gervais Jacques, managing director, Aluminium Sales & Marketing
Our sales and marketing capabilities maximise the value of our products

**Industry knowledge**
A deep understanding of markets and the industry from bauxite to aluminium and its end uses

**Product alignment**
Aligning our resource and asset base with customer needs to maximise product value

**Strategic agility**
Continuous development of marketing strategy, competencies and excellence in execution

**Supply chain optimisation**
Optimising supply chain to maximise value
Steady pricing despite bauxite supply growth

China’s bauxite imports¹
Million tonnes

- China imported 44Mt year to date, exceeding expectations
- Australia exported 16Mt year to date (100% from Rio Tinto)
- Malaysian exports have increased but constrained by resources and infrastructure
- Indonesian ban remains in place but will eventually re-enter

¹ Source: China custom report.
Short-term aluminium pricing pressures

Aluminium price and market premia
US$ per tonne

- Pressure on prices:
  - Lower input costs (strong USD, power subsidies)
  - Selling pressure on LME commodities due to macro uncertainties
- Announced cutbacks help to mitigate the impact of the expansions in Asia ex-China
- Improved buying interest, more stable market and recently increased market premia
Rio Tinto has a pre-eminent position in bauxite

**Rio Tinto bauxite position versus peers**
Global bauxite resources/reserves (Billion tonnes)^1,2

- Production in both markets provides security of supply to our world-class smelters and our bauxite customers
  - Significant Reserves and Resources across the Pacific and Atlantic, with development optionality
- Long bauxite position to deliver ~18Mt to the growing Chinese market in 2015
- Industry-leading bauxite marketing expertise maximises product value for Rio Tinto and our customers

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2 Competitor data taken from published company data. For South32, Resources are reported inclusive of Ore Reserves. EGA and Rusal only report Resources. AWAC and Chalco only report Reserves.

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Customers value bauxite differently

<table>
<thead>
<tr>
<th>Customer value drivers</th>
<th>Rio Tinto proposition</th>
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<tbody>
<tr>
<td><strong>Grade</strong></td>
<td></td>
</tr>
<tr>
<td>• Alumina content ranges from 30% - 65%</td>
<td>• High alumina content (50%-55%)</td>
</tr>
<tr>
<td>• Silica range 2% – 30%</td>
<td>• Consistent quality with significant resource position</td>
</tr>
<tr>
<td>• Grade consistency</td>
<td></td>
</tr>
<tr>
<td><strong>Technology</strong></td>
<td></td>
</tr>
<tr>
<td>• Refineries designed and built to process specific bauxite</td>
<td>• Valuable technical support to our customers</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td></td>
</tr>
<tr>
<td>• Distance to market changes value to the buyer</td>
<td>• Proximity to China</td>
</tr>
<tr>
<td>• Supply options add to supply security</td>
<td>• Dedicated &amp; owned port infrastructure provides reliability</td>
</tr>
<tr>
<td>• Sovereign risk</td>
<td>• Low sovereign risk</td>
</tr>
</tbody>
</table>

Not all bauxite is equal

- Henan, China
- Indonesia
- Weipa
- Guangxi, China
Stable, high alumina content of Weipa bauxite

High alumina content matters:

- Lower production and shipping costs
- Less generation of waste per tonne of alumina produced

Consistent quality and grade commands a premium

Alumina content in bauxite

Percentage

Weipa, Gove, CBG, Malaysia, Indonesia, Western Australia

2010 2011 2012 2013 2014 2015
Achieving best value for our product

Rio Tinto H1 2015 bauxite contract mix

- Bauxite contracts are typically fixed volume with quarterly bilateral price negotiation
- Sales mix used to discover market price and maintain volume certainty
- More than half of new Amrun supply already contracted to key customers
- Leverage our marine expertise

China sales
10.5 Mt

- < 1 year
- 1-5 years
- > 5 years

27%
23%
50%
Our alumina business provides competitive security of supply to our world-class smelters

Rio Tinto alumina production and consumption¹

Million tonnes

- Rio Tinto has a broadly balanced alumina position
- Swaps to address alumina geographical imbalance optimises supply chain costs
- Focus on working capital and cost reductions

¹ Includes partner tonnes where applicable.
Attractive margins on our value-added product

- Value-added products (VAP) represent c.60% of our production
- VAP are priced above standard remelt ingot (product premium)
- In H1 2015, we achieved
  - Average product premium of $259/t
  - Incremental margin of $166/t on VAP sales over all-in remelt price
- Relatively stable VAP premia
- We continue to increase production of slab, billet and foundry

**Rio Tinto H1 2015 value-added product mix**

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Remelt</th>
<th>VAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>37%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>29%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Industry product premia**

- Slab: $159
- Billet: $298
- Foundry: $276
- High Purity: $145
- Rod & Others: $331

1 Source: CRU 2015 product premia.
Well-positioned to capture demand growth in North America

**North American value-added product demand**

<table>
<thead>
<tr>
<th>Million tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
</tr>
<tr>
<td>Rod</td>
</tr>
<tr>
<td>Foundry</td>
</tr>
<tr>
<td>Billet</td>
</tr>
<tr>
<td>Extrusions for auto body</td>
</tr>
<tr>
<td>Rolling slab</td>
</tr>
</tbody>
</table>

- Over 4 million tonnes of additional value added product required by 2025 driven by:
  - Rising aluminium content in cars
  - Recovering housing market
- Rio Tinto is the largest primary metal producer in North America
  - Local sourcing, reliable and fast delivery
  - Technical assistance and development
  - Low CO₂ footprint
Additional margins from sustainable solutions

Automotive light-weighting

Closely working with OEMs to develop the alloys and products that the industry needs

LEED\(^1\) registered

LEED registered products meeting Green Building specifications and trends

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

Unique low CO\(_2\) label

80% of our primary aluminium comes from carbon free energy

Partner of choice for responsibly produced aluminium

\(^1\) Leadership in energy and environmental design.
Maximising the value of our products

Supplier of choice in the growing bauxite market – with Tier 1 bauxite assets

Competitive and secure alumina supply to our world-class smelters

Capturing high-margin sales in North America’s growing VAP market

Low CO₂ footprint – responsible aluminium adds value
Rio Tinto

Summary

Alf Barrios, chief executive, Aluminium
Aluminium - generating value through the cycle

World-class bauxite and first quartile smelting assets

Quality growth from our high-margin bauxite business

Capturing additional value through marketing mix

Focus on cash generation
Rio Tinto
Appendix
Rio Tinto has a global aluminium business

Production

- Bauxite Mines: 41.9 Mt
- Alumina Refineries: 7.5 Mt
- Aluminium Smelters: 3.4 Mt
- Smelting Power Stations: 4.8 GW

1. Production reflects RTA share in 2014. Disposed Alucam and Soral smelters and curtailed Gove refinery are not included.
2. Capacity rather than production is shown for power stations.
Since 2009 about 1 Mt/a of smelting and 3 Mt/a of alumina capacity curtailed, closed or divested

<table>
<thead>
<tr>
<th>Closures and Curtailments</th>
<th>Capacity Kt/a (RTA share)</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009 Beauharnois smelter</td>
<td>52</td>
<td>Canada</td>
</tr>
<tr>
<td>2009 Anglesey smelter</td>
<td>147</td>
<td>UK</td>
</tr>
<tr>
<td>2009 Soral smelter</td>
<td>37</td>
<td>Norway</td>
</tr>
<tr>
<td>2009 Saint-Jean smelter</td>
<td>29</td>
<td>France</td>
</tr>
<tr>
<td>2012 Lynemouth smelter</td>
<td>182</td>
<td>UK</td>
</tr>
<tr>
<td>2013 Shawinigan smelter</td>
<td>102</td>
<td>Canada</td>
</tr>
<tr>
<td>2014 Gove refinery</td>
<td>2,400</td>
<td>Australia</td>
</tr>
<tr>
<td>2014 Anglesey casthouse</td>
<td>N/A</td>
<td>UK</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Divestments</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2009 Ningxia smelter</td>
<td>82</td>
<td>China</td>
</tr>
<tr>
<td>2012 Specialty alumina (4 plants)</td>
<td>552</td>
<td>Europe</td>
</tr>
<tr>
<td>2013 Sebree smelter</td>
<td>200</td>
<td>US</td>
</tr>
<tr>
<td>2013 Saint-Jean-de-Maurienne smelter</td>
<td>142</td>
<td>France</td>
</tr>
<tr>
<td>2014 Soral smelter</td>
<td>93</td>
<td>Norway</td>
</tr>
<tr>
<td>2014 Alucam smelter</td>
<td>47</td>
<td>Cameroon</td>
</tr>
<tr>
<td>2015 ECL</td>
<td>N/A</td>
<td>Global</td>
</tr>
<tr>
<td>2015 Alesa</td>
<td>N/A</td>
<td>Global</td>
</tr>
</tbody>
</table>

**Smelting - Divestments, Closures and Curtailments (kt/a)**

- Curtail / Close: 447
- Divest: 564
- Total: 1,011

**Alumina - Divestments, Closures and Curtailments (kt/a)**

- Curtail / Close: 2,400
- Divest: 552
- Total: 2,952