

Slide 1 – Title slide

Thank you Jason.

Good morning everyone.

I am absolutely delighted to be here with you today.

Slide 2 - Cautionary statements**Slide 3 – Continuing to deliver superior returns**

Two years ago we committed to delivering superior value for our shareholders in the short, medium and long term.

Today, Rio Tinto is in good shape.

And we are delivering on our promises.

We are doing this by:

- Reshaping the portfolio around world class assets...generating Tier 1 free cash flow
- maximising cash through our 'value-over-volume' approach;
- building a high-performance culture;
- maintaining a strong balance sheet;

And....

- allocating capital with discipline, throughout the cycle.

Our performance in 2017 speaks for itself.

We improved our EBITDA margins to the best in a decade.

We re-shaped our portfolio with divestments of \$2.7 billion.... and we have already announced this year a further \$5 billion of divestments.

And we continue investing in high return growth.

But...most importantly... we declared \$9.7 billion in cash returns. This included a dividend of \$5.2 billion, the highest in our 145-year history.

Slide 4 – Delivered ~50% of sector cash returns in 2017

I love this slide... let me give the Rio Tinto shareholders in the room a moment to enjoy it.

In 2017, Rio Tinto was responsible for half of the total cash returns across the sector.

We again delivered the highest return, in both absolute and relative terms.

And our solid financial position gives us a real competitive edge.

Let me tell you why...

1: we can invest in growth, organically or where we see other opportunities;
2: we can maintain a strong balance sheet ... which is very important now that inflation is back;

And....

3: we can continue to deliver industry leading returns to our shareholders.

We have real momentum – and I can assure you, we have no intention of slowing down.

Slide 5 – Supportive global macro, but with inflation and volatility

Let me now take a step back and share some thoughts on the outlook for the industry, current trade issues, on China, and... finally..... on inflation.

Around the globe, there is increased volatility and uncertainty. But the general outlook remains solid..... with positive indicators for global growth in most geographies. In fact, the recent IMF data indicates that 2018 could be the strongest year since the GFC.

However, we are concerned about actions that are threatening global trade. We believe fair trade and open markets are the best drivers of growth and prosperity.

We are optimistic that common sense will prevail.

A significant industry issue is resource nationalism. From the DRC and South Africa to Mongolia and Australia ... it is gaining momentum. As a result, the case for investment and FDI is clearly under threat.

Turning to China, the mining industry's largest customer....Rio Tinto has a unique perspective and excellent relationships.

For example.... as I speak...., 25 leaders of China's largest SOEs are attending a joint Rio Tinto-SASAC training programme in the Pilbara.

Based on our extensive insight we remain optimistic about the medium to long-term outlook. This is despite near-term softness.... which we flagged in December and that the industry is currently experiencing.

Finally..... in December we also talked about the return of inflation. This has certainly proven to be the case. Input costs are rising and contractor costs are starting to firm up.

Inflation is impacting the entire industry. We are seeing it across all our product groups. And industry margins will come under pressure.

But.... let me be clear... high cost assets will feel the greatest pain.

In these volatile times we remain absolutely focused on driving strong performance across the business.

Slide 6 – Safety and health come first

Safety is our number one priority.

Sadly ... last month we lost a colleague at our Sorel-Tracy site in Quebec. I went there last weekend to meet with our colleagues and to be briefed on the investigation.

We are absolutely committed to learning from this tragedy.

Our ambition remains the same: all of our employees and contractors must return home safely at the end of each and every day.

Slide 7 – Building strength across the business

Turning to financial performance.

In 2017, we improved our margins to the best in a decade – with an EBITDA margin of 44 per cent.

The last time we achieved this margin... back in 2011.... iron ore was at \$161 per tonne. In 2017 it was \$64 per tonne.

In Aluminium, our integrated operations delivered an EBITDA margin of 35 per cent..... the highest since we acquired the Alcan business. And we achieved this despite higher input costs.

Much of our success in growing margin is because we have been delivering on our promises ... to reduce costs and increase productivity. We've removed over \$8 billion of costs since 2012.

Against this backdrop.... as you can see on the slide... our return on capital employed has consistently been better than our peers.

Slide 8 – Further value creation

And we are in this for the long term.

Looking forward we are focused on creating additional value by:

- driving our mine to market productivity programme;
- delivering high value growth;
And...
- continuing our successful, active portfolio management.

Our productivity drive will create \$1.5 billion of additional free cash flow per annum from 2021.

We will achieve high quality organic growth of 2% per annum over the next 5 years.

And we are actively shaping our portfolio to release cash that can be invested in higher returning opportunities. Let me be clear.... we will only bring assets into the portfolio if they create value for our shareholders. But we certainly have the capacity to do so.

Slide 9 – A clearly defined productivity programme

Our mine to market productivity programme is underway. Given the increase in inflation and the demanding criteria we have set, it will not be easy to deliver.....

But, as I experienced firsthand in the Pilbara last week.... our teams are making good progress. We're using 90 autonomous trucks rising to 140 next year and we are seeing material improvements in effective utilisation.

We are committed to embedding best practices which will achieve significant and sustainable benefits.

Slide 10 – High-return growth optionality

We are not just improving the performance of our current assets. We are also delivering attractive growth across our portfolio.

Let me give you an example.

Our Amrun project in Queensland is well on track and we are expecting our first shipments before the end of the year...ahead of schedule.

On the broader growth outlook, we continue to evaluate exciting medium to long-term opportunities.

These include Resolution copper in the US, the Jadar project in Serbia, and potential expansions of our aluminum and bauxite businesses.

Slide 11 – Tier 1 growth within our world-class portfolio

As you can see, our growth options are of the highest quality. Across all commodities, our projects sit at the bottom of the cost curve..... ensuring they will deliver tier 1 free cash flows.

Our world class assets in the Pilbara have unrivalled potential for optimisation and future capacity development.

Oyu Tolgoi and Resolution are two of the largest copper projects in the industry. Long life... low cost... and close to our customers in China and the US.

Our Canadian aluminium smelters are in the first quartile. Long term..... as demand grows.... we will strengthen these assets through continued productivity gains And ... potentially.... brownfield expansion.

These smelters are already the greenest in the industry. Last week we announced a JV with Apple to commercialise carbon free smelting technology by 2024. This will deliver an even more attractive product for consumers and reduce operating cost.

Slide 12 – Capital rotation is positioning Rio Tinto for the future

I've said many times that our long-term success depends on having a portfolio of high quality assets, which achieve higher returns.

Over the past 4 years we have announced \$11 billion of divestments. In each case we have achieved a sale price above market expectations.

We apply the same rigorous discipline when allocating capital..... whether it is investing in our existing assets or pursuing other high value opportunities. We will only invest if it creates value for our shareholders.

This is why we are actively shaping our portfolio to focus on the best assets..... in commodities with sound long-term fundamentals. This will further drive sector leading return on capital employed.

Slide 13 – A disciplined capital allocation framework

So, to wrap up.

The outlook for global growth remains positive – but there are some significant risks. Volatility in markets..... trade wars and resource nationalism are all sources of uncertainty.

And as we predicted last year, cost pressures have returned.

In this environment asset quality really matters and operating capability is critical. Protecting margins and generating cash will be hard across the industry.

But Rio Tinto is well placed.

We have a resilient business.... world class assets.... tier one growth optionsandcommitted employees.

We also have the insight and capability to anticipate and adjust as markets evolve.

And we have the balance sheet and expertise to take advantage of any attractive opportunities that may arise.

Our commitment to Rio Tinto shareholders is clear.

We will deliver superior value in the short, medium and long-term by consistently generating tier one cash flows ... under any market conditions.

For us, it is all about delivering on our promises. Day in and day out.

And now, questions