

If you have sold or otherwise transferred all your shares in Rio Tinto, please send this letter at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

5 September 2008

Dear Shareholder,

I am writing to update you on events surrounding your company.

I am pleased to say that the future looks extremely good for Rio Tinto. We recently announced another set of **excellent results** with a number of key highlights for the half year:

- Record underlying earnings of US\$5.5 billion, up 55 per cent on first half 2007
- Record net earnings of US\$6.9 billion, up 113 per cent
- Record cash flow from operations of US\$8.9 billion, up 54 per cent
- Record capital expenditure of US\$3.7 billion, up 91 per cent
- New capital approvals of over US\$6 billion\* announced during the year

The enclosed 2008 Half year report to shareholders provides more information about these excellent results.

In line with our dividend policy, the 2008 interim dividend has been declared by Rio Tinto plc and Rio Tinto Limited at one half of the 2007 total dividend and is therefore equivalent to 68 US cents per share. This represents a 31 per cent increase on the 2007 interim dividend. Our **commitment to increase the total 2008 and 2009 dividends** by at least 20 per cent per year remains unchanged. Rio Tinto dividends are declared in US dollars and paid in pounds sterling and Australian dollars, converted at exchange rates applicable on 21 August 2008.

Global demand for our main products of iron ore, aluminium and copper is at unprecedented levels. Demand is being driven primarily by the rapid growth in China and other developing countries and we don't expect this picture to change. In fact, **demand for key Rio Tinto products could double over the next 15 years**. The prices Rio Tinto is receiving for its products in world markets – especially for iron ore, coal and aluminium – have risen to new highs over the last six months.

As already demonstrated in our presentations to shareholders, I believe Rio Tinto's momentum and growth prospects are superior to those of BHP Billiton out to 2015. As our record first half results have demonstrated, **our earnings have continued to grow** and we have announced over US\$6 billion\* in new capital approvals during the year, the majority of which relates to the development of our greenfield and brownfield growth projects. We are in an enviable position, with a clear roadmap in place to deliver superior growth to 2015 and to capture the full value of this growth for Rio Tinto's shareholders.

We rejected BHP Billiton's pre-conditional offer in February as the offer **significantly undervalues your company and its prospects**. The outlook for the company has improved further since that time.

You should be aware that **BHP Billiton has not made a formal offer for your shares**. It has only announced that it intends to do so if a number of pre-conditions are met. These pre-conditions could take many months to satisfy and may not even occur. In particular, it requires approval by the European Commission (EC) under the EU Merger Regulation. The EC has now commenced a detailed investigation into the proposal.

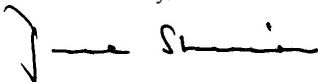
**You do not need to take any action and we will keep you informed of significant events as they arise.**

In the meantime, Tom Albanese and his team remain completely focused on continuing to improve performance and delivering strong results. The Boards of Rio Tinto will ensure that the Group's focus continues to be on delivering value for shareholders and our superior growth pipeline.

Do take the time to visit our website at [http://www.riotinto.com/index\\_investors.asp](http://www.riotinto.com/index_investors.asp) to read the presentations Tom and his team have given to analysts and investors detailing our tremendous growth prospects. If you have any questions about BHP Billiton's pre-conditional offer, you can call freephone in the UK: 0800-987-8750, Australia: 1-800-835-640 or in the US: 1-888-410-7850 or visit our website at [www.riotinto.com/response](http://www.riotinto.com/response).

I wish to take this opportunity to thank you for your continuing support.

Yours sincerely,



**Paul Skinner**  
Chairman

\* 100 per cent basis

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### **Directors' responsibility statement**

The Directors of Rio Tinto plc and Rio Tinto Limited accept responsibility for the information contained in this letter, except that the only responsibility accepted in respect of information relating to BHP Billiton, which has been compiled from published sources, is to ensure that such information has been correctly and fairly reproduced and presented. Subject as aforesaid, to the best of the knowledge and belief of the Directors of Rio Tinto plc and Rio Tinto Limited (who have taken all reasonable care to ensure that such is the case), the information contained in this letter is in accordance with the facts and does not omit anything likely to affect the import of such information.

Subject to the above, none of Rio Tinto, any of its officers or any person named in this letter with their consent or any person involved in the preparation of this letter makes any representation or warranty (either express or implied) or gives any assurance that the implied values, anticipated results, performance or achievements expressed or implied in forward-looking statements contained in this letter will be achieved.

### **Important information**

There can be no certainty that any offers will be made nor as to the terms on which any offers may be made.

In the United States, Rio Tinto will file a Solicitation/ Recommendation Statement with the US Securities and Exchange Commission (the "SEC") on Schedule 14D-9 following commencement of a tender offer within the meaning of Rule 14d-2 under the Securities Exchange Act of 1934 and holders of Ordinary Shares and American Depositary Shares are advised to read it when it becomes available as it will contain important information. Copies of the Schedule 14D-9 and other related documents filed by Rio Tinto will be available free of charge on the SEC's website at <http://www.sec.gov>. In addition, documents filed with the SEC by Rio Tinto may be obtained free of charge by contacting Rio Tinto's media or investor relations departments or on Rio Tinto's website at [www.riotinto.com](http://www.riotinto.com). Any documents filed by BHP Billiton, including any registration statement on Form F-4 (which will include a preliminary prospectus) and related exchange offer materials as well as any Tender Offer Statement on Schedule TO, will also be available free of charge on the SEC's website.

### **Forward-looking statements**

This letter includes forward-looking statements. All statements other than statements of historical facts included in this letter, including, without limitation, those regarding Rio Tinto's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to Rio Tinto's products, production forecasts and reserve and resource positions), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Rio Tinto, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding Rio Tinto's present and future business strategies and the environment in which Rio Tinto will operate in the future. Among the important factors that could cause Rio Tinto's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, levels of actual production during any period, levels of demand and market prices, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, operational problems, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as changes in taxation or regulation and such other risk factors identified in Rio Tinto's most recent Annual Report on Form 20-F filed with the SEC or Form 6-Ks furnished to the SEC. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this letter. Rio Tinto expressly disclaims any obligation or undertaking (except as required by applicable law, the City Code on Takeovers and Mergers (the "Takeover Code"), the UK Listing Rules, the Disclosure and Transparency Rules of the Financial Services Authority and the Listing Rules of the Australian Securities Exchange) to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Rio Tinto's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Nothing in this announcement should be interpreted to mean that future earnings per share of Rio Tinto plc or Rio Tinto Limited will necessarily match or exceed its historical published earnings per share.