Rio Tinto
2015 full year results
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For example, future ore reserves will be based in part on market prices that may vary significantly from current levels. These may materially affect the timing and feasibility of particular developments. Other factors include the ability to produce and transport products profitably, demand for our products, changes to the assumptions regarding the recoverable value of our tangible and intangible assets, the effect of foreign currency exchange rates on market prices and operating costs, and activities by governmental authorities, such as changes in taxation or regulation, and political uncertainty.

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11 February 2016

Highlights

Performance

Outlook

Financial targets

Summary

RioTinto

Sam Walsh

Chief executive
Safety and our values are fundamental

All injury frequency rates
Per 200,000 hours worked

Accountability
- Relentless pursuit of shareholder value
- Disciplined decision-making

Respect
- For the environment and communities
- For health, safety and wellbeing

Integrity
- Transparency in what we do
- Fairness, honesty and openness

Teamwork
- Long-term partnerships
- Continuous improvement
Continued delivery of our promises in 2015

- Underlying earnings of $4.5 billion
- Net cash from operating activities of $9.4 billion
- Reduced costs by $1.3 billion and working capital by $1.5 billion
- Reduced capex spend to $4.7 billion
- Returned $6.1 billion of cash to shareholders
- Strong balance sheet with net debt of $13.8 billion
- Full year 2015 dividend of 215 cents per share
Rio Tinto has taken decisive early action…

Reduced costs

- 2013: 3.3
- 2014: 1.5
- 2015: 1.3
- Total savings: 6.2

Operating, exploration & evaluation cost reductions achieved by 31 December 2015 vs 2012 base

Decreased capex

- 2012: 17.6
- 2013: 13.0
- 2014: 8.2
- 2015: 4.7

Total capital expenditure in each year

Recycling capital via divestments

- Total savings: $4.7bn

Divestments announced or completed since January 2013

Released working capital

- 2013: 0.6
- 2014: 1.5
- 2015: 1.5
- Total savings: 3.6

Working capital cash release achieved on 31 December 2015 vs 2012 base
...which has enabled returns to shareholders, strengthened the balance sheet...

**Shareholder returns**

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividends</th>
<th>Share buy-backs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>3.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>3.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>6.1</td>
<td>2.0</td>
<td>13.1</td>
</tr>
<tr>
<td>Total</td>
<td>13.1</td>
<td>2.0</td>
<td>15.1</td>
</tr>
</tbody>
</table>

**Net debt and gearing ratio**

<table>
<thead>
<tr>
<th>Period</th>
<th>Net debt</th>
<th>Gearing ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun-13</td>
<td>22.1</td>
<td>28%</td>
</tr>
<tr>
<td>Dec-15</td>
<td>13.8</td>
<td>24%</td>
</tr>
</tbody>
</table>

1 Gearing ratio = net debt/(net debt + book equity).
... and maintained 34% Group EBITDA margins

<table>
<thead>
<tr>
<th>Iron Ore</th>
<th>Aluminium</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Pilbara operating FOB EBITDA margins of 60%</td>
<td>• Integrated operating EBITDA margins of 31%</td>
</tr>
<tr>
<td>• Cash flows from operations of $6,061m and free cash flow of $4,335m</td>
<td>• Cash flows from operations of $2,413m and free cash flow of $817m</td>
</tr>
<tr>
<td>• Underlying earnings of $3,952m</td>
<td>• Underlying earnings of $1,118m</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Copper &amp; Coal</th>
<th>Diamonds &amp; Minerals</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Copper operating EBITDA margins of 34% and 18% in Coal</td>
<td>• Operating FOB EBITDA margins of 29%</td>
</tr>
<tr>
<td>• Cash flows from operations of $1,775m and free cash flow of $1,008m</td>
<td>• Cash flows from operations of $1,010m and free cash flow of $554m</td>
</tr>
<tr>
<td>• Underlying earnings of $274m</td>
<td>• Underlying earnings of $189m</td>
</tr>
</tbody>
</table>
Full year dividend maintained year-on-year

• Final dividend of 107.5 cents per share declared by the board
  – To be paid in April 2016

• Total full year 2015 dividend declared of 215 cents per share
  – In pounds, equates to 6% increase
  – In Australian dollars, equates to 16% increase
| 11 February 2016 | Highlights | Performance | Outlook | Financial targets | Summary |

**Rio Tinto**

Chris Lynch

Chief financial officer
Prices reduced earnings by over 80%, partially offset by exchange, energy and management actions

Underlying earnings 2014 vs 2015
US$ million (post tax)

- 2014 underlying earnings: 9,305
- 2015 underlying earnings: 4,540
- Price: (7,695)
- Exchange rates: 2,007
- Energy: 359
- Inflation: (185)
- Flexed 2014 earnings: 3,791
- Volumes: 132
- Cash cost reductions: 833
- Exploration & evaluation (excluding disposals & writedowns): 120
- Tax and other: (336)

Total cost reductions of $953m post-tax or $1,336m pre-tax
<table>
<thead>
<tr>
<th>Description</th>
<th>US$m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2015 underlying earnings</strong></td>
<td>4,540</td>
</tr>
<tr>
<td>Impairments</td>
<td>(1,802)</td>
</tr>
<tr>
<td>Losses/gains on disposals</td>
<td>48</td>
</tr>
<tr>
<td>Exchange losses on debt and derivatives</td>
<td>(3,282)</td>
</tr>
<tr>
<td>Increased closure provision for legacy operations</td>
<td>(233)</td>
</tr>
<tr>
<td>Restructuring costs and global headcount reductions</td>
<td>(258)</td>
</tr>
<tr>
<td>Other</td>
<td>121</td>
</tr>
<tr>
<td><strong>2015 net earnings/(loss)</strong></td>
<td>(866)</td>
</tr>
</tbody>
</table>
Continued focus on costs generating significant savings in 2015

Pre-tax operating cash cost improvements
Reduction vs. 2014 (US$ million)

Increased target (operating and E&E)

Original target: $750m

Increased 2015 target (operating and E&E)

H1 2015 operating

H1 2015 E&E

H2 2015 operating

H2 2015 E&E

Total (operating and E&E)

2015 target  Operating cost reductions  Exploration & evaluation savings

1,000

551

90

585

110

1,336

+34%
Achieved $6.2 billion of cost reductions against 2012 base

Pre-tax operating cash cost improvements
Reduction vs. 2012 (US$ billion)

- Cost performance helped deliver a 2015 EBITDA margin of 34% (39% in 2014)
- Strong delivery across all Product Groups
- Cost culture embedded across the entire organisation
- Excludes the impact of favourable exchange rates and lower oil prices

Note: Includes operating, exploration & evaluation cost reductions achieved by 31 December 2015 vs 2012 base.
Track record of balanced capital allocation

Demonstrable capital discipline
US$ billion

<table>
<thead>
<tr>
<th>Year</th>
<th>Sustaining</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>17.6</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>13.0</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>8.2</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>4.7</td>
<td></td>
</tr>
</tbody>
</table>

Leads to more balanced allocation
Capital to cash returns to shareholders (Percentage)

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividends</th>
<th>Share buy-backs</th>
<th>Capital expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>79%</td>
<td>7%</td>
<td>21%</td>
</tr>
<tr>
<td>2013</td>
<td>80%</td>
<td>14%</td>
<td>56%</td>
</tr>
<tr>
<td>2014</td>
<td>69%</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>44%</td>
<td>31%</td>
<td>37%</td>
</tr>
</tbody>
</table>

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Low net debt levels keep gearing ratio at the lower end of our guidance range

- $2 billion share buy-back completed funded from 2014 cash flows
- Net debt levels almost flat half-on-half in 2015, despite buy-back
- $9.4 billion of cash on hand as at 31 December 2015
- Targeting 20-30% gearing ratio through the cycle
  - Net gearing impacted by exchange movements and impairments
  - Remains in lower half of target gearing range
- Strong balance sheet remains a competitive advantage

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**Net debt and gearing ratio¹**

<table>
<thead>
<tr>
<th></th>
<th>Net debt (US$ billion)</th>
<th>Gearing ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun-13</td>
<td>22.1</td>
<td>28%</td>
</tr>
<tr>
<td>Dec-13</td>
<td>18.1</td>
<td>25%</td>
</tr>
<tr>
<td>Dec-14</td>
<td>12.5</td>
<td>19%</td>
</tr>
<tr>
<td>Pro forma Dec-14*</td>
<td>14.5</td>
<td>21%</td>
</tr>
<tr>
<td>Jun-15</td>
<td>13.7</td>
<td>21%</td>
</tr>
<tr>
<td>Dec-15</td>
<td>13.8</td>
<td>24%</td>
</tr>
</tbody>
</table>

¹ Gearing ratio = net debt / (net debt + book equity).
² Post 2015 $2 billion share buy-back.
Rio Tinto

Sam Walsh

Chief executive
Preserving and creating value

<table>
<thead>
<tr>
<th>Long-life, low-cost and expandable assets</th>
<th>Commercial excellence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong cash flow generation throughout the cycle from our key commodities</td>
<td>Strong customer relationships, high quality benchmark products, technical marketing and value-in-use pricing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating excellence</th>
<th>Strong and efficient balance sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership in technology and productivity drives a sustainable and competitive cost position</td>
<td>Sustainable shareholder returns and value-adding growth</td>
</tr>
</tbody>
</table>
There has been a significant deterioration in the macro environment…

Prices up to close of business on 9 February 2016. (1) Bloomberg index comparing USD to a basket of 10 global currencies. (2) Thomson Reuters CRB Commodity Index. Source: Bloomberg
...so further pre-emptive actions are required to protect shareholder value

**Operating and commercial excellence**

Reduce costs

- **by $2bn**

  $1 billion in 2016 and a further $1 billion in 2017

  Operating, exploration & evaluation cost reductions compared to 2015 base

**Capital allocation discipline**

Additional capex reductions

- **by $3bn**

  over 2016 and 2017 against previous guidance

  Previous capex guidance of $5 billion in 2016 and $7 billion in 2017
New dividend policy and capital allocation commitment

At the end of each financial period, the board will determine an appropriate total level of ordinary dividend per share, taking into account the results for the financial year, the outlook for our major commodities, the board’s view of the long-term growth prospects of the business and the Company’s objective of maintaining a strong balance sheet. The intention is that the balance between the interim and final dividend is weighted to the final dividend.

The board expects total cash returns to shareholders over the longer term to be in a range of 40-60% of underlying earnings in aggregate, through the cycle.

The board is committed to maintaining an appropriate balance between cash returns to shareholders and investment in the business, with the intention of maximising shareholder value. Acknowledging the cyclical nature of the industry, in periods of strong earnings and cash generation, it is the board’s intention to supplement the ordinary dividends with additional returns to shareholders.

- Progressive policy replaced with new dividend policy
- Balance between interim and final to be weighted towards the final dividend
- New capital allocation commitment
  - Balance between cash returns and investment
  - Target total cash returns to shareholders of 40%-60% of underlying earnings through the cycle
- Intention for 2016 full year dividend of not less than 110 US cents per share
<table>
<thead>
<tr>
<th>11 February 2016</th>
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<th>Performance</th>
<th>Outlook</th>
<th>Financial targets</th>
<th>Summary</th>
</tr>
</thead>
</table>

**RioTinto**

Chris Lynch

Chief financial officer
Current volatility demands further pre-emptive actions

• Macro, market and commodity weakness

• Reduces outlook for near-term cash flows

• Dividends sustainability determined by earnings and cash flows

• Further pre-emptive action required
  − Maintains strength of the business
  − Foundation of sustainable shareholder value creation

2015 underlying earnings flexed for iron ore prices

US$ billion

2015 underlying earnings 2015 dividends 2015 earnings flexed for 2016 consensus iron ore prices

4.5 4.1 (1.8) 2.7

1 2015 underlying earnings flexed using Rio Tinto’s published earnings sensitivity for iron ore based on consensus analyst estimates published on Rio Tinto’s website on 1 February 2016. See disclaimer on slide 2.
Targeting a further $2 billion reduction in costs

Pre-tax operating cash cost improvements
Reduction vs. 2012 (US$ billion)

- Achieved $6.2 billion in operating, exploration and evaluation costs since 31 December 2012
- Cost culture embedded across the entire organisation
- Setting an additional $2 billion cost target:
  - $1 billion in 2016; and
  - Further $1 billion in 2017
- Excludes the impact of favourable exchange rates and lower oil prices

Note: 2015 figure is operating, exploration & evaluation cost reductions achieved by 31 December 2015 vs 2012 base.
Further $3 billion capex reduction to preserve capital and sustain operations

- Completed two projects in 2015
- 2016 capex reduced by a further $1 billion to around $4 billion
- 2017 capex reduced by $2 billion to ~$5 billion from previous $7 billion
- Low capital paths being pursued with spend focused around key projects:
  - Silvergrass
  - Amrun
  - Oyu Tolgoi Underground

**Capital expenditure profile**

US$ billion\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sustaining</th>
<th>Approved</th>
<th>Yet to approve</th>
<th>Previous guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015A</td>
<td>2.0</td>
<td>1.7</td>
<td>0.7</td>
<td>4.7</td>
</tr>
<tr>
<td>2016F</td>
<td>1.2</td>
<td>0.7</td>
<td>0.5</td>
<td>~4</td>
</tr>
<tr>
<td>2017F</td>
<td>1.3</td>
<td>0.8</td>
<td>0.5</td>
<td>~5</td>
</tr>
<tr>
<td>2018F</td>
<td>1.4</td>
<td>0.9</td>
<td>0.5</td>
<td>~5.5</td>
</tr>
</tbody>
</table>

\(^1\) Forecast capex is subject to variation in future exchange rates. Capex numbers are gross and not net of disposals.
Our capital allocation framework

1. Essential sustaining capex
2. Ordinary dividends
3. Iterative cycle of

Further cash returns to shareholders
Compelling growth
Debt management
Preserving and creating shareholder value

- World-class portfolio
- Sustainable shareholder returns
- Quality growth
- Operating and commercial excellence
- Balance sheet strength
- Capital allocation discipline
- Free cash flow generation
Rio Tinto

2015 full year results
Exchange rates, lower energy costs and volumes partially offset impact of lower prices

Underlying earnings H1 2015 vs H2 2015
US$ million (post tax)

- H1 2015 underlying earnings: 2,923
- Price change: 1,958
- Exchange rates: 402
- Energy costs: 60
- Inflation: (17)
- H1 2015 flexed earnings: 1,410
- Volumes: 212
- Cash cost reductions: (82)
- Exploration & evaluation (excluding disposals & writedowns): (42)
- Tax and other: 118
- H2 2015 underlying earnings: 1,616
Weaker prices significantly reduced underlying earnings in 2015

Underlying earnings 2014 vs 2015
US$ million (post tax)
... partly offset by favourable exchange rates, lower energy costs and higher volumes

### Underlying earnings 2014 vs 2015

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 underlying earnings</td>
<td>9,305</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2014)</td>
<td>(7,695)</td>
<td></td>
<td></td>
<td></td>
<td>(185)</td>
<td></td>
<td>132</td>
</tr>
<tr>
<td>2015</td>
<td>7,695</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Iron ore: 398
- Other: 81
- Gold: 39
- Aluminium: 25
- Coal: (20)
- Diamonds: (26)
- Iron & Titanium: (89)
- Copper: (276)
$1.5 billion of cash released from working capital

Working capital balance reconciliation
US$ million

Net decrease of $1,122m

<table>
<thead>
<tr>
<th></th>
<th>Price</th>
<th>Non-price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>658</td>
<td>841</td>
</tr>
<tr>
<td>31 Dec. 2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1,499)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>377</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closing balance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>31 Dec. 2015</td>
<td>244</td>
<td></td>
</tr>
<tr>
<td>1,366</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Pilbara: our low-cost advantage has been sustained over many years

- 2015 cash unit cost of $14.90/t (24% lower than $19.50/t in 2014)
- Maintain consistently attractive FOB EBITDA margins (60% in 2015)
- Average realised FOB price of $48.40 per wet metric tonne ($52.60/dry metric tonne)
- Pilbara infrastructure project completed in H1 2015
- Expect global shipments of ~350Mt/a in 2016
Iron Ore: increased volumes and cost reductions delivered against lower prices

Underlying earnings 2014 vs 2015
US$ million (post tax)

- Global shipments of 336.6 million tonnes was 11% higher than in 2014 following completion of the brownfield developments and expanded infrastructure in the Pilbara, enabling a drawdown of inventories, as well as improvements at Iron Ore Company of Canada.
- Pilbara FOB EBITDA margins of 60% achieved in 2015 (68% in 2014) despite a 43% decline in average 62% Fe index prices compared to 2014.
- Pilbara cash unit costs to $14.90 per tonne in 2015, compared with $19.50 per tonne in 2014.
- Total cost reductions delivered in 2015 of $428 million pre-tax, through productivity improvements and lower contractor costs. Total pre-tax Iron Ore cost savings delivered since 2012 are now to $1,138 million.
- Pilbara iron ore revenues includes $918 million of freight in 2015 compared to $1,312 million in 2014, following significant declines in freight rates period on period.
The world’s best aluminium business

Clear focused strategy: Bauxite and first quartile smelters are key pillars

**Bauxite**

- Industry-leading bauxite position
- Bauxite production +4%, with +14% in 3rd party sales to 26.6 million tonnes
- Achieved FOB EBITDA margins of 51% in 2015
- Market-paced growth starts with Amrun

**Alumina**

- Provides competitive security of supply for our first cost quartile smelter portfolio
- Improved financial performance in 2015 but more to do
- Alumina production +4%, reflecting continued consistent performance across Rio Tinto’s refineries

**Aluminium**

- Sector-leading primary metal 2015 EBITDA margin of 23%
- Average cost position in the 11\textsuperscript{th} percentile of industry cost curve
- ~80% of power from low-carbon sources
- Focused on cash generation
Aluminium: exchange rates and cost improvements almost completely offset lower prices

Underlying earnings 2014 vs 2015
US$ million (post tax)

- Average LME prices decreased 11% year on year. While physical delivery market premiums fell back from their highs in early 2015, value-added product premia continued to be robust, averaging $251 per tonne in 2015. The average realised price per tonne averaged $2,058 in 2015 (2014: $2,395).

- Favourable currency movements in Canada and Australia increased underlying earnings by $661 million, partially offsetting the price impact of $958 million.

- Total 2015 cost savings were $326 million pre-tax. These were achieved through reduced raw material costs, increased productivity and lower labour costs, taking total pre-tax Aluminium cost savings delivered since 2012 to $1,132 million.

- Integrated operations EBITDA margins increased to 31% in 2015, compared to 29% in 2014. This performance and reduced working capital delivered strong operating cash flows of $2.4 billion and more than $800 million of free cash flow.

- The modernised and expanded Kitimat smelter poured first hot metal in 2015 and the ramp up towards 420,000 tonne nameplate capacity is expected in early 2016.

- Bauxite revenues includes $205 million of freight in 2015 ($256 million in 2014).
Delivering increased copper volumes through growing existing mines

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>H2 2015:</td>
<td>Higher grade areas exploited in the mine plan for Oyu Tolgoi open pit</td>
</tr>
<tr>
<td>2020+:</td>
<td>First production from Oyu Tolgoi underground(^1)</td>
</tr>
<tr>
<td>2016/2017:</td>
<td>Metal share expected from Grasberg, with continued investment in underground(^2)</td>
</tr>
<tr>
<td>2021+:</td>
<td>Step-change in Grasberg participation to 40% of all production(^3)</td>
</tr>
<tr>
<td>H1 2015:</td>
<td>New 152kt per day concentrator commissioned at Escondida</td>
</tr>
<tr>
<td>2017:</td>
<td>Commissioning of desalination plant</td>
</tr>
<tr>
<td>H2 2015:</td>
<td>KUC third party concentrate tolling</td>
</tr>
<tr>
<td>2016/2017:</td>
<td>KUC volumes to recover following de-weighting/de-watering of east wall</td>
</tr>
</tbody>
</table>

1 Earliest date of first production based on Turquoise Hill Resources Limited Oyu Tolgoi 2014 Technical Report published October 2014. 2 See Freeport-McMoRan’s Fourth Quarter 2015 Earnings Conference Call Presentation dated January 26, 2016 (available on the Freeport-McMoRan website) for sales guidance and our Chartbook for current guidance on metal strip thresholds. 3 Rio Tinto shares in 40% of all metal above the metal strip and will benefit from 40% of all metal produced from 2022 onwards.
Copper & Coal: cost savings and exchange rates partially offset lower prices

Underlying earnings 2014 vs 2015
US$ million (post tax)

- The Copper & Coal group’s underlying earnings of $274 million, 67% lower than 2014, were heavily impacted by lower prices. These were partly offset by the delivery of further cash cost savings, favourable exchange rates and energy costs. Lower volumes were principally driven by Rio Tinto Kennecott, where efforts remained focused on de-weighting and de-watering the east pit wall.
- Pre-tax cost reductions delivered in 2015 were $214 million bringing total pre-tax cost savings delivered by Copper & Coal since 2012 to $1,934 million.
- Despite the challenging market environment all Copper & Coal operations were free cash flow positive, contributing over $1 billion in free cash flows to the Group. Net cash generated from operating activities was $1.8 billion in 2015.
- To optimise smelter utilisation, Kennecott tolled 414 thousand tonnes of third party concentrate in 2015.
- At 31 December 2015, the Group had an estimated 252 million pounds of copper sales that were provisionally priced at 217 cents per pound. The final price of these sales will be determined during the first half of 2016. This compares with 331 million pounds of open shipments at 31 December 2014, provisionally priced at 288 cents per pound.
**Diamonds & Minerals: delivering strong margins**

**Well positioned for consumer-driven growth**

<table>
<thead>
<tr>
<th>Diamonds</th>
<th>Borates</th>
<th>Titanium Dioxide</th>
<th>Salt &amp; Uranium</th>
</tr>
</thead>
<tbody>
<tr>
<td>42% EBITDA margins</td>
<td>34% FOB EBITDA margins</td>
<td>29% FOB EBITDA margins</td>
<td>33% FOB EBITDA margins in salt</td>
</tr>
<tr>
<td>Production up 25% with higher volumes from the Argyle underground</td>
<td>Demand for borates has been stable globally</td>
<td>Softer market conditions as industry absorbs feedstock inventories</td>
<td>Uranium market continues to suffer from higher inventories</td>
</tr>
<tr>
<td>A21 pipe project at Diavik advancing as planned</td>
<td>Continued to optimise the MDDK process plant</td>
<td>Three of 13 furnaces currently taken offline</td>
<td>ERA mining stockpiles and rehabilitating Ranger mine</td>
</tr>
</tbody>
</table>
Diamonds & Minerals: favourable exchange and cost reductions partially offset lower prices and volumes

Underlying earnings 2014 vs 2015
US$ million (post tax)

- Underlying earnings of $189 million were 30% lower than 2014, primarily driven by lower sales volumes following the decision to optimise production to align with market demand.
- Volume reductions impacted cash costs which are calculated on a unit cash cost of production despite the fact absolute cash costs were $832 million lower than in 2014 (including a $342 million benefit from exchange rate movements).
- Strong operating cash flows of over $1 billion made a free cash flow contribution to the Group of over $500 million.
- The Argyle underground mine continued to ramp up throughout 2015.
- On 26 June 2015, Rio Tinto announced the sale of its interest in the Murowa diamond mine in Zimbabwe.
- The $350 million development of the A21 kimberlite pipe at Diavik (Rio Tinto share $210 million), which will provide an important source of incremental supply to maintain existing production levels, is currently proceeding as planned.
Other movements in underlying earnings

### Underlying earnings impact

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Other operations</td>
<td>(240)</td>
<td>(51)</td>
<td>3</td>
<td>9</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>16</td>
<td>173</td>
<td>(88)</td>
</tr>
<tr>
<td>Central Exploration (net)</td>
<td>(156)</td>
<td>17</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(10)</td>
<td>10</td>
<td>-</td>
<td>(1)</td>
<td>(140)</td>
</tr>
<tr>
<td>Interest</td>
<td>(161)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(228)</td>
<td>(389)</td>
</tr>
<tr>
<td>Other</td>
<td>(593)</td>
<td>13</td>
<td>-</td>
<td>-</td>
<td>118</td>
<td>-</td>
<td>-</td>
<td>24</td>
<td>62</td>
<td>(376)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(1,150)</td>
<td>(21)</td>
<td>3</td>
<td>9</td>
<td>120</td>
<td>(10)</td>
<td>10</td>
<td>40</td>
<td>6</td>
<td>(993)</td>
</tr>
</tbody>
</table>

- Other operations includes the Gove alumina refinery and RT Marine. The reduction in net loss reflects lower spend at both Gove and RT Marine.
- Exploration costs were largely in line with last year, excluding losses on divestments in 2015.
- Other includes savings across central functions.
## ERA earnings reconciliations

<table>
<thead>
<tr>
<th><strong>Energy Resources of Australia</strong></th>
<th><strong>US$m</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total comprehensive loss per ERA press release (A$275m)</strong></td>
<td>(207)</td>
</tr>
<tr>
<td><strong>Lower depreciation following impairment recognised by Rio Tinto</strong></td>
<td>29</td>
</tr>
<tr>
<td><strong>Tax and unwinding of discount(^1)</strong></td>
<td>147</td>
</tr>
<tr>
<td><strong>Less: Minority interests (31.6%)</strong></td>
<td>11</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Underlying earnings before exclusions as reported by Rio Tinto</strong></td>
<td>(24)</td>
</tr>
</tbody>
</table>

\(^1\) Including non-cash write down of ERA’s deferred tax asset, which is excluded from Rio Tinto’s underlying earnings.
Modelling earnings

<table>
<thead>
<tr>
<th>Earnings sensitivity</th>
<th>2015 average price/rate</th>
<th>($m) impact on FY 2015 underlying earnings of 10% price/rate change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper</td>
<td>249c/lb</td>
<td>213</td>
</tr>
<tr>
<td>Aluminium</td>
<td>$1,661/t</td>
<td>416</td>
</tr>
<tr>
<td>Gold</td>
<td>$1,160/oz</td>
<td>39</td>
</tr>
<tr>
<td>Iron ore (62% Fe FOB)</td>
<td>$50/dmt</td>
<td>843</td>
</tr>
<tr>
<td>Coking coal (benchmark)</td>
<td>$102/t</td>
<td>60</td>
</tr>
<tr>
<td>Thermal coal (average spot)</td>
<td>$62/t</td>
<td>114</td>
</tr>
<tr>
<td>A$</td>
<td>75USc</td>
<td>651</td>
</tr>
<tr>
<td>C$</td>
<td>78USc</td>
<td>211</td>
</tr>
<tr>
<td>Oil</td>
<td>$52/bbl</td>
<td>65</td>
</tr>
</tbody>
</table>

Note: The sensitivities give the estimated effect on underlying earnings assuming that each individual price or exchange rate moved in isolation. The relationship between currencies and commodity prices is a complex one and movements in exchange rates can affect movements in commodity prices and vice versa. The exchange rate sensitivities include the effect on operating costs but exclude the effect of revaluation of foreign currency working capital.