Good morning ladies and gentlemen. Welcome to those joining us today by webcast.

Our CFO, Chris Lynch, also joins us from Australia.

It's a privilege to stand before you as Chief Executive of Rio Tinto, and present our 2014 half year results.

It's been another active and very successful half for Rio Tinto.

We continue to move forward at pace, towards our goal of delivering greater value for you, our shareholders.

The evidence of this, is in the very strong underlying earnings and operating cash flow, that you see in our results today.

We have already exceeded our cost reduction goals, we have improved productivity, and we've reduced capital expenditure and reduced net debt.

And these results are even more impressive, considering the backdrop of continuing market uncertainty.

Prices for many of our commodities were down during the first half of this year, and the global economy continues to re-set, following the global financial crisis.

Within this environment, we have emerged a more focussed and leaner business.

We now have greater options, to make the most of the attractive long term outlook for our products.

Even though I am very pleased with Rio Tinto’s progress over the last 18 months, there
are still significant opportunities ahead of us, and the job certainly isn’t finished.

We are working hard on embedding the improvements we have achieved so far.

We are confident that Rio Tinto’s low cost, diversified portfolio will continue to generate strong sustainable cash flows.

This solid foundation will result in materially increased cash returns to shareholders.

Our interim dividend is up by 15%, in line with the increase we made to our full-year dividend six months ago.

The group remains committed to our progressive dividend policy, and we have considerable capacity, to further enhance this, with consistent, additional cash returns to shareholders in the future.

We will talk more about this, in February of next year.

Turning to today’s agenda, as always I will start with a few comments on safety, and then share the headlines for the first half.

Chris will then take us through the results, along with a reminder of our capital allocation framework.

To wrap up, I will comment on each of our businesses and our commitments to you. And, we will close with questions.

**Slide 5 – Safety is critical to operating effectively**

Our safety performance is continuing to show signs of improvement, with our all injury frequency rate declining.

But we also had sad news in the half, with the death of a colleague, Darrell Manderson, at the Gove refinery in February.

Our thoughts and prayers are with Darrell's family and friends, who have suffered such a tremendous loss.
We want to, and need to do much better on safety.

Understanding and respecting the dangers in our workplace, and managing them effectively, allows us to take care of our people.

**Slide 6 – Delivering greater value for shareholders**

Let me now turn to some highlights of our half year performance.

Our underlying earnings were $5.1 billion, up 21 per cent over the same period last year.

We have achieved $3.2 billion of sustainable cost reductions, exceeding the $3 billion target we had set, six months ahead of schedule.

We reduced our capital expenditure to $3.6 billion, as our tighter capital allocation processes mean we are prioritising investment in only the highest value opportunities.

Our balance sheet is stronger, with net debt reduced by $6 billion compared to a year ago, to $16.1 billion, in line with our mid-teens target.

And we continue to deliver our growth projects. In the Pilbara, we have reached nameplate capacity of 290 million tonnes a year, two months ahead of schedule, leading to new records for shipments and production.

Critically, these improvements are generating increased cash flows from operations, which improved by eight per cent compared to the first half of last year.

The importance of cash, is being fully recognised as our employees bring the notion of ‘acting like an owner’ to life.

The focus is now on sustaining and building on our efforts, to continue the drive to become a leaner, more agile, cash-focused and tightly-run business.

Building on this momentum, we now expect to deliver a further $1 billion of sustainable cash cost improvements by the end of 2015.

So, with that, let me now hand over to Chris to go through the numbers in detail.
Thank you, Sam. I’d now like to take you through our financial performance so far this year.

I’ll also talk about why we are confident in the outlook for strong cash flows from our world class assets, and the framework we have in place to allocate these cash flows, in order to maximise value for shareholders.

**Slide 8 – 21% increase in underlying earnings as volume growth and cost improvements offset lower prices**

Underlying earnings are up by $887 million versus the first half of 2013, but this understates the true extent of our operational improvements.

Removing the impact of prices and exchange rates, we’ve achieved almost $2 billion of controllable earnings improvements, through lower costs and higher volumes.

I will shortly return to the performance at each of our businesses which made this outstanding result possible.

Net earnings for the period are $4.4 billion, negatively impacted by a further write down at the Kitimat modernisation project.

We said in February that a review of major capital projects had identified an over-run at Kitimat.

We have now completed the review and re-estimation of the capital costs, and have identified $1.5 billion of additional capital required to complete the project.

The total capital cost will now be $4.8 billion, and the project is scheduled for commissioning in the first half of 2015.

This cost increase is a very disappointing outcome, but we are now on top of this project.

We have put in place new management, enhanced our project delivery team, and we will
continue to work with our main contractor to improve performance.

**Slide 9 – Product group earnings were higher, driven by increases in Iron Ore, Copper and Aluminium**

Returning to our operations. In iron ore, record sales were achieved in the Pilbara which, along with the weaker Australian dollar and cost improvements, more than offset lower prices for the half.

The transformation of our Aluminium division continues to deliver results despite lower quoted LME prices. Cost savings, coupled with strong premia, drove earnings up by almost 74 per cent, and EBITDA exceeded $1 billion.

Copper earnings were up by over 70 per cent. A strong operational performance saw mined copper production increase by 23 per cent, following the recovery in grades at Kennecott Utah Copper and the continuing ramp up of shipments at Oyu Tolgoi.

In Energy, thermal coal prices declined to the lowest level since October 2009 during the first half. However, the exceptional work of the team to reduce costs and increase productivity at our thermal coal operations has helped to mitigate this impact.

And in Diamonds and Minerals, underlying earnings were down, reflecting lower prices for zircon, titanium dioxide feedstocks, borates and metallics. We continue to reshape these businesses to ensure that they are matching production to demand, minimising costs and so are well positioned to take advantage of future price increases.

**Slide 10 – Optimising the value of our high quality iron ore growth**

One of the key headwinds we have faced this year is lower iron ore prices, with the spot price averaging 20 per cent less than in 2013.

But the quality of our business, together with our marketing leadership, is ensuring that we continue to deliver significant value.

Demand for iron ore remains strong, with steel production in China expected to grow by 3
to 4 per cent year-on-year in 2014.

Most of this increase has been driven by domestic consumption, and we have seen growth in steel consuming sectors like infrastructure, machinery, and transport offsetting weaker activity in residential construction.

As anticipated, this has been a period of growth in seaborne supply of iron ore and a commensurate exit of high cost supply. With around 125 million tonnes expected to leave the market this year in response to lower prices.

We have already seen significant curtailments of iron ore supply from the Chinese domestic sector, as well as reductions from non-traditional suppliers such as Indonesia and Iran.

We are better placed to thrive in this environment than any other iron ore producer, given our industry-leading low costs of production, the quality of our Pilbara Blend products and our strong marketing capabilities.

Anticipating market developments and understanding our customers’ needs has always been a core capability of our operating model.

Product design and market analysis are key inputs into our long term mine planning and sequencing, as well as our shorter term production decisions.

The integration of marketing and operations ensures we can deliver the volume and quality of products, valued by our customers, which are aligned with our resources.

Pilbara Blend products, introduced by Rio Tinto in 2007, are the base feed and largest consumed product by Chinese steel mills.

Pilbara Blend sets the industry standard so to speak.

While much of the industry growth in seaborne supply over the past six months has been low quality material, leading to increased discounting by some producers, the focus of our expansions has been on our Pilbara Blend products.
These now represent approximately 70 per cent of our current Pilbara portfolio.

We continue to experience high levels of demand for our products across varying market conditions.

**Slide 11 – Delivering significant value through marketing leadership**

In recent years iron ore markets have changed significantly; but the core competencies required to create value have remained constant.

These competencies include our industry knowledge, product alignment, strategic agility, and supply chain optimisation; and it is within these four areas that our iron ore sales and marketing group excels.

As an example, you can see from the chart that Pilbara Blend fines spot sales achieve, on average, a premium above the Platts 62 per cent iron index.

Over the whole of our Pilbara sales portfolio we achieved an average realised FOB price of $99 per wet metric tonne in the first half.

Furthermore, the relative value of our non-Pilbara Blend products has remained consistent in the first half of 2014 compared to prior years.

By maintaining the stable quality of our product, and working with our customers, we are able to optimise the value of our products in the market.

And so, while we have experienced lower prices this half, we are confident in the outlook for our iron ore business, given the healthy demand outlook, our low cost of production and our high product quality.

**Slide 12 – Exceeded our full year operating cost reduction targets ahead of schedule**

Turning from revenue to cost, we have beaten our cost reduction targets, with $3.2 billion of sustainable operating cash cost improvements.
This is a great result six months early, reflecting the determined efforts of our employees across the business.

And, based on our planning for the rest of this year and next, we are expecting a further $1 billion of sustainable cash cost improvement by the end of 2015.

Just one example of improvement comes from our Alma smelter, in Canada.

Here, the team have used the “LEAN” philosophy to increase productivity by 16 percent compared with 2011, by focussing on standardising tasks across the plant.

This has led to improved work quality, efficiency and operational stability. It has increased productivity, and enabled reductions in the workforce.

We have included a series of case studies from across the group in the back of your packs.

These give some insight in to the success we are achieving.

And our focus is not just on operating costs, we are also reducing the cost of our exploration and evaluation activities by focussing on the highest value projects.

Let me assure you, though, this will not come at the cost of future growth for the business.

Our exploration and evaluation group is viewed as the best in the industry and continues to generate tier one investment opportunities.

**Slide 13 – A leading portfolio of high quality assets**

What is truly impressive about our cost reductions, is that our assets already have well positioned cost structures.

Almost half of our revenue is generated by businesses with EBITDA margins in excess of 60 per cent.

And those assets that are not currently generating such high margins are, in general, low cost producers in their respective industry sectors, poised to benefit from price
recoveries.

For example, our aluminium business realised, on average, an EBITDA margin of around 20 per cent in the first half.

But, these assets are low cost, and any price improvement will flow through to the bottom line.

In fact, a 10% change in the LME price for aluminium leads to a $444 million earnings impact.

We are now starting to see some improvement in aluminium prices, as a modest supply deficit opens up outside of China.

Whilst still low by historic standards, prices in July averaged $1,948 per tonne, 11 per cent above the first half average.

We firmly believe that ensuring that our portfolio remains focussed on low cost, tier 1 assets, is the key to stable high quality earnings and cash flow generation.

This means that we can continue to prosper at all points in the cycle.

**Slide 14 – Strong cash flows from operations**

The quality of our assets is further demonstrated in the strength of our operating cash flows.

During the current half we have increased our cash flows from operations to $8.7 billion, which is up 8 per cent on the same period last year.

Operating cash flows were impacted by a $600 million increase in trade working capital and $400 million lower dividends from Equity accounted units, mainly Escondida.

As flagged in our full year results, there was also a one off impact to cash flow as a result of higher tax payments in Australia. Following a change in legislation, we moved from quarterly to monthly payments in the first half of this year.
Optimising our working capital is a key area of focus for us, and we expect to see our working capital reduce in the second half.

Looking forward, Rio Tinto is poised to generate strong and sustainable cash flows while continuing to deliver growth.

This means that, even under a conservative pricing outlook, we expect to continue to generate strong and sustainable cash flows over the coming years.

**Slide 15 – We have strengthened our balance sheet**

We have said previously that the focus for our cash flows this year would be to reduce debt and strengthen the balance sheet.

And meaningful progress has been made in the past six months, with net debt now at $16.1 billion, down $6 billion from the same time last year.

Gross debt has also been reduced, by approximately $2.5 billion so far this year.

And our liquidity position is strong.

We said six months ago that our short term target for net debt is “mid-teens billions of dollars” and we are now there.

So, our focus will shift to other applications of cash.

**Slide 16: Our capital allocation framework to maximize shareholder value – 2014**

We will continue to apply our increasingly strong cash flows against our clear capital allocation framework.

This prioritises essential sustaining capex and our progressive dividend.

Once these demands are met, we move on to an iterative cycle of investment in compelling growth, debt reduction and further cash returns to shareholders.
We have hit our mid-teens net debt target, which will enable us to move on to enhancing cash returns to shareholders in 2015.

**Slide 17: Our capital allocation framework to maximize shareholder value – 2015**

We have previously made clear that this is a decision that will first be taken by the board in February 2015, and we are sticking to that.

With our operating cash flows remaining strong, capex reducing and balance sheet on track, we will be focussing on further cash returns to shareholders in 2015.

**Slide 18 – We have reduced capital expenditure**

Returning to capex for a moment. We now expect 2014 to be around $9 billion.

This is $2 billion below previous guidance, and 30 per cent less than in 2013.

We are continuously reviewing our investment programme, and have identified a series of permanent reductions across the portfolio.

Looking ahead, we continue to forecast capex in 2015 at around $8 billion.

This is unchanged, but we have absorbed the over-run at Kitimat with reductions elsewhere.

And beyond 2015, capex is expected to be maintained at around $8 billion a year.

Projects must complete with capital and must provide robust returns which meet our investment criteria.

We are confident that these levels of capex will provide future options for long term sustainable growth, whilst at the same time maintaining the strength of our balance sheet under conservative price assumptions.
Slide 19 – Delivering the highest quality projects

At the same time, we expect to achieve significant volume growth of more than eight per cent a year on a copper equivalent basis from 2012 to 2015.

Increased volumes are coming on-stream in iron ore, copper, coking coal, and diamonds.

Further ahead we have a strong suite of potential future projects across the product groups, including in bauxite South of the Embley, in copper Oyu Tolgoi stage 2 and in thermal coal Mount Pleasant.

However, these projects will compete with other uses for cash and only the highest quality projects will be able to attract capital.

Slide 20 – Strong cash flows will result in a material increase in cash returns to shareholders

So, to round up. We have delivered a very strong set of results, with a significant increase in underlying earnings and cash flows driven by cost reductions and volume growth.

We have exceeded our cost reduction target, ahead of schedule, and we expect a further $1 billion of cost improvements by the end of 2015.

Our asset portfolio is world class, with almost half our revenue generating margins in excess of 60 per cent.

This low cost diversified portfolio will continue to drive strong earnings and cash flows in the years to come, through the highs and lows of the commodity price cycle.

Looking ahead, we continue to deliver high quality growth with lower levels of capex.

Our net debt is now down to $16.1 billion, $6 billion lower than a year ago and our balance sheet is strong.

This solid foundation for growth will result in materially increased cash returns to shareholders.
With that, I will hand back to Sam.

**Slide 21 – Sam Walsh title slide**

Thank you, Chris.

**Slide 22 – Our businesses are well placed to meet global demand growth**

I’d now like to share some thoughts with you about how we see the outlook for our industry.

Overall, we remain confident that there will be strong global demand growth for our key commodities over the medium to long term.

Volatility in global financial markets is currently low, driven in part, by clear monetary policy direction from central banks.

But, the likelihood of short term fluctuations in our markets remains, as geopolitical uncertainties persist, notably in Ukraine, the Middle East and the South China Sea.

Global GDP growth in 2014 is expected to exceed 3 per cent.

And the Chinese Government, is dealing effectively with rebalancing its economy, with its desired GDP growth of 7.5 per cent in 2014 on target.

This macro picture will support continuing growth in demand for commodities.

We do see that new supply is affecting some key markets at the moment.

Expansions from iron ore producers in Australia and Brazil, have been the main driver of lower iron ore prices this year.

But, as Chris said, with high cost supply leaving the market, and growth in demand, the fundamentals for iron ore remain attractive.

In copper, the market has moved into surplus on the back of supply from new mines,
although the effects on prices, have been more muted.

However, the long-term fundamentals remain strong, supported by the complexity of new copper projects.

And in aluminium, we are starting to see the market outside of China recover.

A modest supply deficit is opening up, leading to stronger LME prices in recent weeks, while premiums remain high.

So, overall, the outlook is good.

The work we’ve been doing over the last 18 months, means we are well prepared for a range of economic scenarios, and are ideally placed to take advantage of this attractive outlook.

**Slide 23 – Our Pilbara iron ore business delivers industry-leading margins**

We believe that our iron ore business in the Pilbara, is quite simply, the world’s best mining business.

It is low cost, it produces high quality product, it’s situated close to key customers and has unrivalled growth plans.

Uniquely, among Australian operators, we own and have sole access to port and rail infrastructure.

Because of this we can manage our entire network in ways that no one else can.

We can drive continuous year-on-year productivity gains, maintaining our cost advantage over the long term.

In the first half of this year, we achieved an EBITDA margin of 66%, in an iron ore market that many people are describing as weak.

The cash generation potential of this business is truly extraordinary.
And it will get even stronger, as we reap the benefits of our breakthrough expansion pathway, towards 360 million tonnes a year.

**Slide 24 – Pilbara growth: delivering exception returns on investment**

We have continuously demonstrated our ability to deliver growth in the Pilbara, ahead of schedule and under budget.

In the first half we reached our run-rate capacity of 290 million tonnes a year, two months ahead of schedule.

And we’re making great progress with the next stage expansion of our infrastructure capacity, to 360 million tonnes a year.

We have already completed the necessary rail duplication and trackwork.

And we’re on schedule to complete the automation of our Pilbara rail operations.

This new technology will be operational in 2015, and will unlock further productivity gains.

And we continue to pursue the most value accretive pathway, to rapidly increase mine production capacity by more than 60 million tonnes a year by 2017, to feed this infrastructure.

All of this is being achieved at an all-in capital intensity, including the cost of port, rail and mines, of between 120 and 130 US dollars per annual tonne.

**Slide 25 – Copper delivers 23% volume growth and 71% improvement in underlying earnings**

The Copper group is focused on its 4 + 2 strategy, with the immediate objective, of improving the quality of its earnings and cash flows.

During the first half, the team continued to prioritise three key areas: Firstly, enhancing productivity at all operations. Secondly, reducing costs. Thirdly, optimising the portfolio around four tier one assets, while building a pipeline of attractive growth options.
Strong progress has been made on simplifying the Copper portfolio this year, with the divestment of three non-core assets announced.

The copper group delivered strong operational and financial performance in the first half, with underlying earnings growing by over 70 per cent.

This was achieved despite lower prices, and was driven by another exceptionally strong operating performance at Kennecott Utah Copper.

Here, the team are continuing to oversee the recovery of the mine from the pit wall slide of last year.

In doing so, they have realised record productivity improvements, and sustainable cost reductions.

At Oyu Tolgoi, sales continue to ramp up and are now in excess of production rates.

However, there is still uncertainty surrounding the next stage of development at OT.

Discussions are ongoing with the Government of Mongolia, on a number of outstanding issues.

As I’ve said before, for us to continue with the capital investment required to develop the underground, there must be a stable and consistent investment environment.

**Slide 26 – Aluminium: earnings improved through cost reductions and productivity gains**

Turning to our aluminium business.

Over the past year, the performance of our aluminium group has broken away from competitors, with the business now achieving sector leading margins.

With around 22 per cent of our revenue derived from aluminium, we are very well placed to benefit from a recovery in prices.

We are continuing to focus the business on the highest quality assets.
And we are recording strong results on our cost reduction programme, with over $800 million of savings to date.

Overall, we have increased EBITDA from aluminium by 26%, to $1.1 billion in the first half.

**Slide 27 – Bauxite: unrivalled resource position offering strong growth options**

Our bauxite business provides upside exposure, to Chinese demand growth, with limited risk of growing Chinese supply.

We have an unrivalled portfolio of bauxite assets, with interests in three of the world’s four largest mines, and we have resources of over 5 billion tonnes.

These long-life, low-cost assets provide unparalleled options to grow.

At Gove, we are well advanced in the transition to a bauxite export business.

This is already operating at an export capacity of 6 million tonnes a year, and will grow to around 8 million tonnes a year by the end of 2015.

The expansion of Weipa through the development of the South of the Embley project, is a truly tier one growth opportunity, expected to deliver a very attractive return on investment.

The team is now completing the study work, with a focus on reducing the lead time to bring this world class project to first production.

**Slide 28 – The Rio Tinto commitment**

So, let me close, by reflecting on where we are today.

Rio Tinto is back on track, and powering ahead.

We have significantly increased earnings, we have exceeded our commitments to reduce costs, and we have strengthened the balance sheet.
In short, we’ve done what we said we would do.

Going forward, we will continue to control costs and capital, we will continue to pick the right projects to invest in, and then execute them faultlessly.

You can see from our half year results, that we are focussing our efforts, in the right areas.

We have strengthened our capital allocation processes, we are optimising our portfolio to focus on value, and our people are driving productivity improvements across the entire business.

We have high-quality assets which generate consistently high margins.

And we are improving these assets further, through our focus on cost reduction, productivity, and strategic marketing, to maximise value from our products.

As we move forward, we have a solid foundation to deliver greater value for shareholders.

Our commitment to you, is that we will continue to grow free cash flow, and we will use this money wisely.

We have some of the best development options in the industry, from the expansion of our world-class iron ore business in the Pilbara, to bauxite growth in Queensland, and our tier one copper projects.

But investment will be disciplined and not at the expense of maintaining a strong, resilient business, and most importantly, maximising value for shareholders.

This solid foundation will result in materially increased cash returns to shareholders.

I will talk more about our future plans at our investor seminar in December.

The leaner, meaner Rio Tinto is here to stay.

Watch this space.

Now, it’s time to take your questions.