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Slide 2 – Cautionary statement

Slide 3 – Supporting statement

Slide 4 – J-S Title slide

Good morning all.

Thanks for joining us, good to see so many familiar faces.

Rio is doing really well, today we are returning 3 billion dollars to shareholders.

We continue our drive for superior performance.

Slide 5 – Our value proposition

Last year, we set out a clear approach to deliver superior value for all shareholders over the short, medium and the long term.

I know that many of you have seen this slide before, but let me restate the key points of our value proposition.

- It's about a long-term strategy built on world-class assets;
- It's about maximizing cash through our value-over-volume approach;
- It's about developing a high-performance culture across the Group.
- It's about allocating capital with discipline.

This is what drives our business, day in and day out.

Slide 6 – Safety and health come first

Let me start with safety.

Safety comes **first** at Rio Tinto.

Our ambition is clear: all of our employees and contractors must return home safely at the end of each and every day. In the first six months, our safety performance has improved. Our Critical Risk Management programme is gaining momentum, but we can't and won't become complacent.

A safe operation is a well-run operation.

Slide 7 – Disciplined allocation of strong cash flow in H1 2017

Now let me turn to the financials.

We generated cash flows of \$6.3 billion in the first half.

Which we used to:

- Meet our sustaining capital requirements;
- Invest in growth;
- Further strengthen the balance sheet
- and...Make shareholder returns of \$2.5 billion during the half.

We have **delivered** on our promises.

Slide 8 – Delivering on our promises

Today we announced further returns of \$3 billion...\$2bn of dividend and \$1bn of buyback.

We generated EBITDA of \$9.0 billion, a margin of 45% benefiting from higher prices, compared to 33% in the same period last year.

We delivered our \$2 billion cash cost saving programme six months early and momentum is building on our productivity drive.

We already had the strongest balance sheet in the sector..... At the end of June our net debt was \$7.6 billion.

We continue to strengthen our portfolio of assets.

As you know we announced the sale of our thermal coal business in Australia for \$2.7 billion, which is expected to complete this quarter.

Last but not least all our growth projects, Oyu Tolgoi, Amrun and Silvergrass - are on track.

This is a strong set of results. But, let me be clear we can do much more and have no intention of slowing down.

Chris will now take you through the numbers.

Slide 9 – Chris Lynch Title page

Thanks, J-S.

Let's have a look at the numbers in more detail, starting with commodities.

Slide 10 – Market overview

Chinese economic growth has been resilient during 2017, and global conditions have improved, which has seen higher pricing in most of our products.

We realised a strong first half iron ore price of \$67.80 per tonne, 40 per cent higher than this time last year, reflecting our well placed product

portfolio.

Copper prices increased 23 per cent compared to the first half of last year, reflecting strong demand from China and some supply disruptions during the period.

However, this was partially offset by continued supply additions from Peru and increased scrap volumes.

Aluminium pricing improved compared to the first half of 2016, with an increase of 22 per cent, reflecting strong demand.

We believe this has also been driven by newsflow around China's supply-side reform policy.

The coking coal price spiked as a result of weather disruptions in Australia, and has now dropped back to prices seen in the first quarter.

Slide 11 – Higher prices driving increased earnings

This chart shows the striking recovery in prices from the first half of last year.

As you can see, inflation, energy costs and exchange rates have remained relatively stable.

Volumes were generally lower compared to the first half of 2016.

In the Pilbara, shipments were impacted by wet weather in the first quarter, and accelerated rail upgrade in the second.

Hard coking coal also suffered from adverse weather in the first half following cyclone Debbie in late March, which impacted both rail and pit access at Hail Creek.

These lower volumes were partly offset by record production in Bauxite, and increased production of TiO₂.

The 14.9 million tonnes of third party sales of Bauxite were a first half record.

We delivered a further \$300 million of cash cost savings, or \$0.5 billion pre-tax.

So a strong recovery on price and continued action on costs, combined with relatively benign conditions elsewhere, has led to underlying earnings of \$3.9 billion, an increase of 152% on last year.

Slide 12 – Net earnings

The underlying earnings of \$3.9 billion include some items that are worth identifying.

\$144 million of deferred tax asset at Grasberg has been written off and this increases our effective tax rate to 31% for the half, with a likely rate of around 30% for the full year.

Restructuring costs of around \$30 million have previously been treated below the line. However this half these are included within underlying earnings.

Additional costs relating to take or pay port and rail contracts at Abbott Point have also impacted underlying earnings by \$25 million.

In addition we have included in earnings a \$176 million charge for the strike at Escondida.

Partly offsetting this, within the copper division, is a \$100 million insurance claim at Kennecott arising from business interruption from the Manefay slide.

As you can see here, a further \$45 million of the claim, relating to assets damaged in the slide, have been credited below the line.

During the year, we booked \$166m of impairments, largely the Rough Rider uranium project.

Non-cash exchange losses on US Dollar denominated debt in our non-US Dollar companies, have negatively impacted earnings by \$502 million.

Importantly these are mostly offset by currency translation gains booked to equity, and therefore, there is minimal impact on net debt.

So overall we have delivered net earnings of \$3.3 billion.

Slide 13 – Billion cost out programme achieved early

In February 2016 we set a \$2 billion cash cost reduction target for 2016 and 2017.

As I mentioned, we achieved \$0.5 billion in the first half, which together with last year's \$1.6 billion, means that we have achieved our target some 6 months ahead of schedule.

This takes our total reductions against the 2012 cost base to \$8.2 billion, which excludes the impact of exchange rates, inflation and changes in oil and energy costs.

This is an ongoing journey and we don't intend to stop.

As you know, we are now broadening our approach to raise the efficiency of the business through our productivity programme which will release \$5 billion of cumulative free cash flow over the next five years.

Slide 14 – Continuing to shake our portfolio

We continue to refine our portfolio to ensure that we make the most efficient use of our capital.

In June, shareholders approved the disposal of our Australian thermal coal business to Yancoal for consideration of \$2.7 billion.

This is a much improved offer compared to the one made in January, including \$500 million more cash on completion.

The transaction should close this quarter.

Including Coal and Allied, we have now announced divestments of almost \$8 billion in the last four years. But we retain flexibility in our portfolio.

Some of our assets are smaller, but they are valuable and highly cash generative.

We will continue to exit any assets or projects that do not fit our requirements, and where we can realise attractive value for shareholders.

Slide 15 – Sustaining capex and compelling growth

Capital spend for the first half was \$1.8 billion, of which \$0.7 billion related to sustaining our current operations, and \$1.1 billion for our compelling growth options.

Autohaul is progressing well with around 20 per cent of all train kilometres now completed in autonomous mode, and we are on track to have this fully operational by the end of 2018.

Separately to Autohaul, we have brought forward upgrades to the Pilbara railway network.

This had a noticeable impact on iron ore shipments in the second quarter.

The capital expenditure for this work is already included within our capex guidance.

The upgrade work will continue during the year, and ultimately, along with Autohaul, will create a more flexible system.

Our three major projects are all progressing well.

The spend on our growth capital is starting to increase but we maintain our guidance for the next three years, with \$5 billion for 2017 and then \$5.5 billion in each of next two years.

The advantage of a strong balance sheet, and a world-class portfolio, is that we are able to continue to invest in value adding growth options, through the cycle, and drive future returns.

When we make capital allocation decisions, we will ensure that we only

fund the best projects.

Slide 16 – Balance sheet strength

During the first half of 2017 we reduced our net debt to \$7.6 billion, a reduction of \$2 billion, from the end of last year.

Maintaining the strength of our balance sheet, is a major competitive advantage and appropriate given the volatile pricing environment.

Our stronger financial position allows us to ensure the balanced allocation of capital, and supports greater cash returns to shareholders.

Slide 17 – Term maturities greatly reduced

In the half, we carried out a \$2.5 billion bond repurchase programme.

This is our fourth since the start of 2016, and including matured bonds, has led to a total reduction in gross debt of \$11.5 billion.

We have further improved our debt maturity profile and our next bond maturity is not until 2020.

The \$2.5 billion programme brought interest forward to this half, and therefore meant that interest paid during the period, was \$260 million higher than would otherwise have been the case, with a \$180 million earnings impact.

It's value neutral and will of course reduce interest in future periods.

Our cash position remains strong with \$7.8 billion cash on the balance sheet at the end of June.

Slide 18 – Delivering superior returns

We have today declared cash returns to shareholders of \$3 billion.

This is through an interim dividend of 110 cents per share, and an increase in the share buy-back in PLC shares of \$1 billion.

We have already repurchased \$300 million from our previous \$500 million programme.

Today's \$1 billion will be in addition to the \$200 million outstanding. So a total ongoing buy back of \$1.2 billion in PLC shares in the second half, a four-fold increase on the current run-rate.

Our dividend policy states that we will return 40-60% of underlying earnings through the cycle, and that the dividend in any one year will be weighted towards the final.

In this period, given the strength of the balance sheet and the level of cash generation, we are paying 50% of earnings, as dividends, or 75% including the additional \$1 billion increase to the share buy-back.

The \$3 billion is 46% of cash flow generated.

Our 110 cents per share dividend is the largest interim dividend that we have ever paid.

Our new payout policy, combined with a strong balance sheet, gives us confidence to make larger shareholder returns, and allows shareholders to participate more fully in the upside.

Now let me hand back to J-S.

Slide 19 – J-S Title slide

Thanks Chris.

Slide 20 – Strong steel industry margins and low inventories

Now let me share our views on the macro outlook.

6 months ago I said I was confident about China.

Having been there 4 times this year that remains true.

The Chinese economy has performed well in 2017 and the early signs for 2018 are positive.

Beyond China, global economic conditions have improved in both Europe and the US.

So now, let me focus on the steel industry in China.

It is today both healthy and profitable. Order books are full.

As a result, demand for high-grade iron ore has been strong and, due to productivity, should continue in the foreseeable future.

This creates opportunities for us.

So the outlook is stable, but price volatility will remain a feature of the market.

For us, it is about controlling the controllables.

Slide 21 – Strategy will deliver value through the cycle

Our strategy is to

- create superior value for shareholders by meeting our customer's

- needs,
- maximizing cash from our world-class assets
- and allocating capital with discipline.

To remind you, we will deliver this by focusing on our 4Ps: Portfolio, Performance, People and Partners

- Portfolio, is about world-class assets.
- Performance, is about operating and commercial excellence....Our value-over-volume approach
- People, is about developing industry-leading capabilities...
- and Partners is about long-term relationships with our customers, investors, governments and communities.

As I said at the start, our value-creation model will deliver superior cash, which we will use to...maintain our balance sheet strength; provide compelling growth; and...deliver superior shareholder returns;

From the results today you can see how our strategy is delivering value and we believe this is set to continue.

Let me tell you more about two of those Ps - Performance and Portfolio.

Slide 22 – Delivering \$5 billion of free cash flow from productivity

At Rio Tinto, performance is about safety and productivity.

There are two ways to add value through productivity:

- sell more with the same cost structure,
- or
- produce the same with a lower cost structure.

The decision will be made on an asset by asset and commodity by commodity basis. As I keep repeating, we always place value over volume.

Increasing the productivity of our \$50 billion asset base is the best return available to us.

We have more than 800 trucks which we can use more effectively.

We have around 50 processing plants which today are not fully loaded.

We are investing to upgrade our railway infrastructure in the Pilbara.

This will give us greater flexibility to extract value from our iron ore assets in Western Australia.

We will be generating an additional \$5b of free cash flow over the next 5 years.

And a run rate of \$1.5b of free cash flow per year by 2021.

Slide 23 – High-return growth projects

Turning to the Portfolio.

Our highly value-accretive projects are some of the very few that are being undertaken in the industry today and all have an IRR greater than 20 per cent.

The Silvergrass project in the Pilbara will deliver high-grade, low-phosphorus ore for the Pilbara blend, and gives us operating benefits as we convert from a trucking operation to the conveyor.

We'll hold the grand opening at the end of this month, where the guest of honour will be the WA Premier.

2 weeks ago, Chris and I were at our \$1.9 billion Amrun bauxite project in Queensland.

Key construction activities and fabrication of the process plant have started and we are on schedule for first production in the first half of 2019.

At OT we have more than 2,500 people on site and remain on track for first draw-bell, mid-2020. And underground development is advancing well.

We are also progressing the conveyor to surface decline and shaft sinking.

We are developing our portfolio of world-class assets.

An opportunity that others don't have, and importantly, we are continuing to invest through the cycle.

Slide 24 – Continuing to deliver on our commitments

So, let me sum up.

Our strategy shows how every decision we make at Rio Tinto prioritises value over volume.

We continue to focus on cash flow growth - with an additional \$5 billion to be delivered by 2021 through our productivity programme.

We are strengthening our portfolio, focusing on world class assets and investing in compelling growth

We believe having a strong balance sheet is a significant competitive advantage.

And last but not least the \$3 billion dollars of cash returns announced today shows our strategy is working.

And now questions...