4 December 2014
London

RioTinto

# Delivering sustainable shareholder returns

2014 Investor Seminar

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**Forward-looking statements**

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Rio Tinto Group. These statements are forward-looking statements within the meaning of Section 27A of the US Securities Act of 1933, and Section 21E of the US Securities Exchange Act of 1934. The words "intend", "aim", "project", "anticipate", "estimate", "plan", "believes", "expects", "may", "should", "will", "target", "set to" or similar expressions, commonly identify such forward-looking statements.

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# Delivering on our promises

## Improve

### Reducing costs ✓

**$5.4bn**

Operating, exploration & evaluation cost reductions targeted by 31 December 2015 (2015E vs 2012)

### Restructured portfolio ✓

**$3.5bn**

Divestments since January 2013

## Strengthen

### Decreasing capex ✓

to **<$8.5bn**

Full year 2014E spend down 34% vs 2013

### Achieved net debt target ✓

**$6bn reduction**

12 months to 30 June 2014

## Deliver

### Growing production ✓

**+6%**[1]

Copper equivalent growth 2014E vs 2013

### Increased dividends ✓

**+15%**

Dividend growth in FY2012 and FY2013

[1] Copper equivalent growth calculated at 2013 constant prices.

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# Our commitment to shareholders

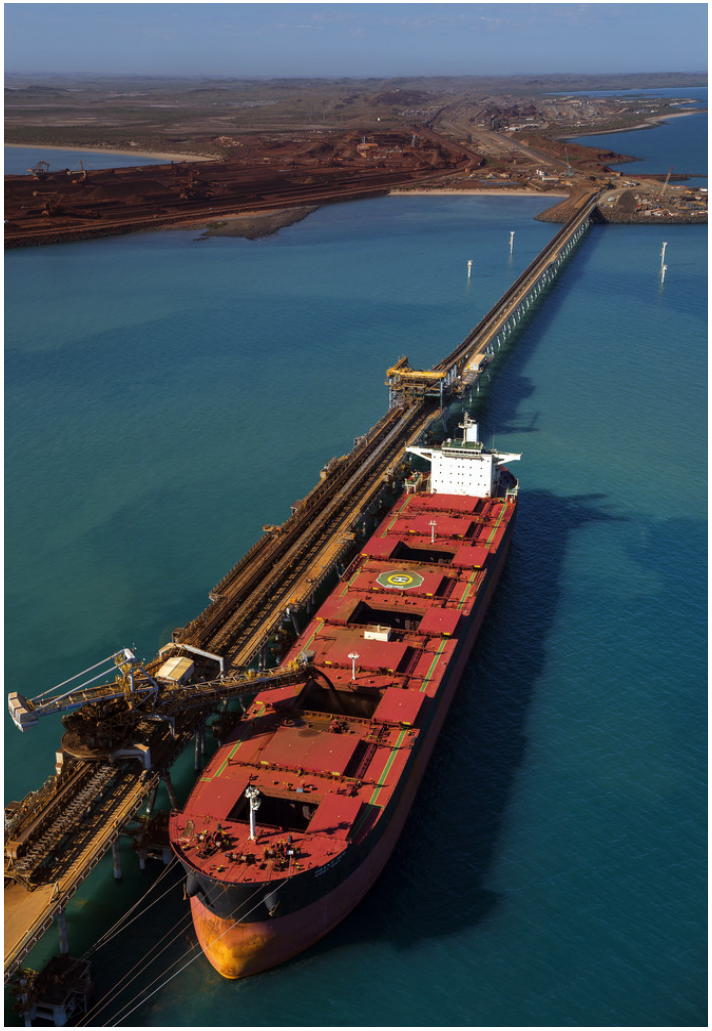
**To deliver industry-leading, sustainable shareholder returns through the cycle from our:**

**Tier 1 assets**

**Disciplined allocation of capital**

**Operating and commercial excellence**

**Culture of safety and integrity**



**Cape Lambert, Pilbara**

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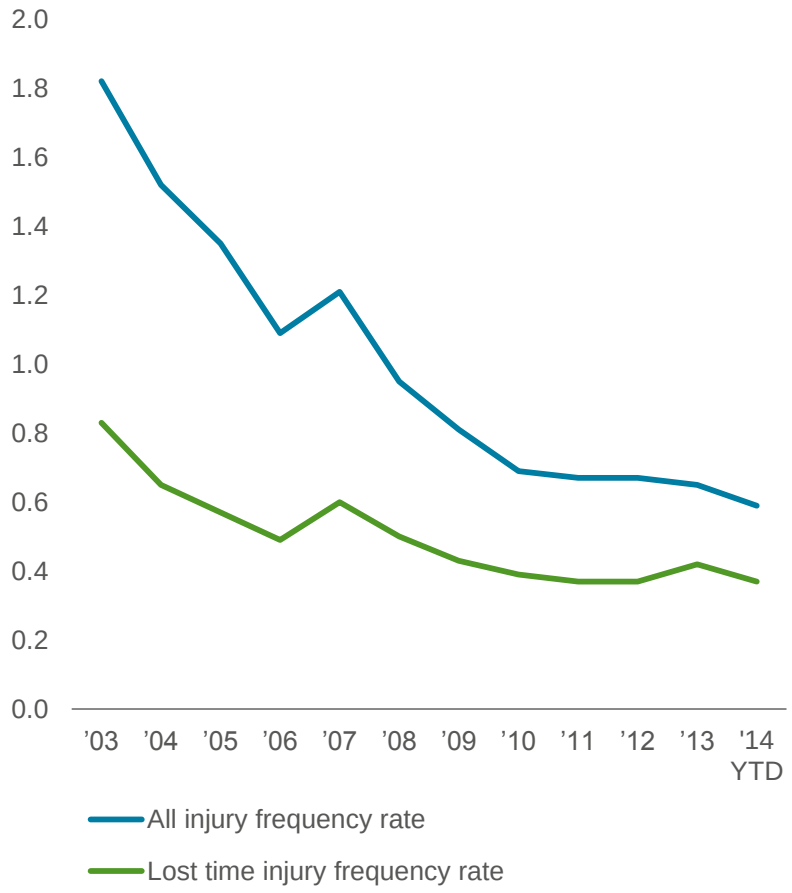
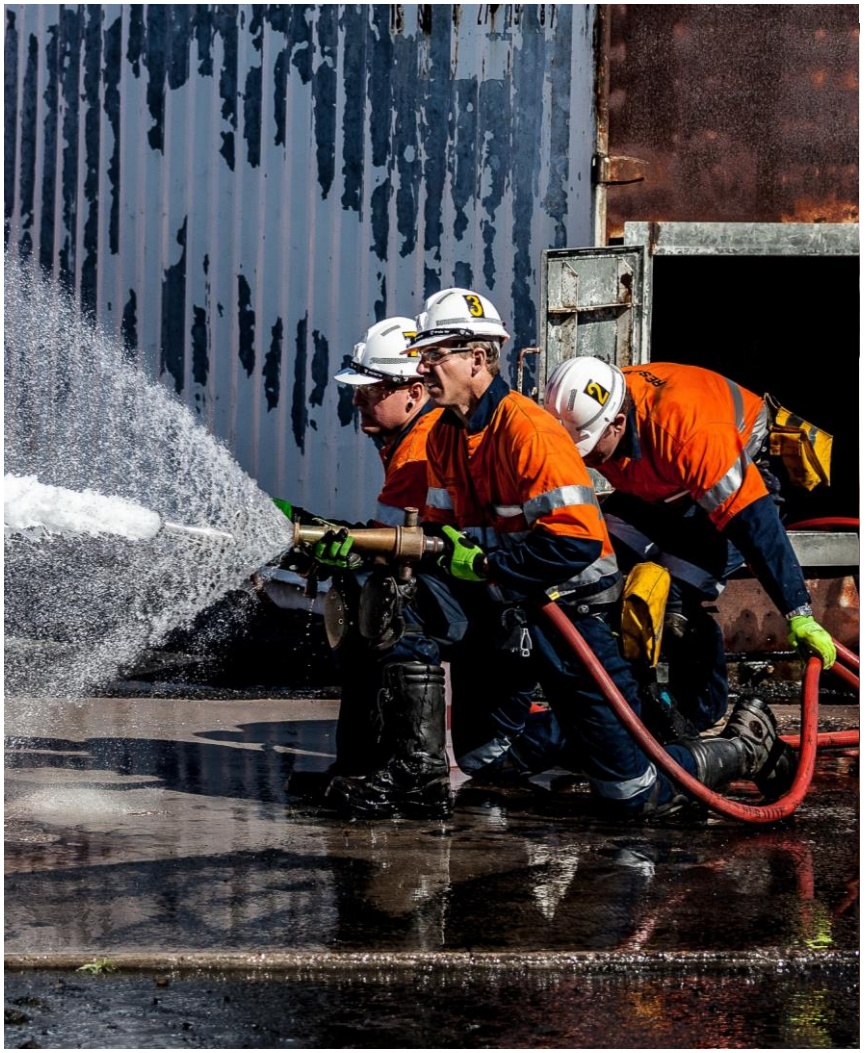
# Safety is fundamental to our business

**Injury frequency rates**
Per 200,000 hours worked



**Kestrel mine rescue team training**

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# Succeeding in a challenging market

## Long-life, low-cost and expandable assets

Strong cash flow generation throughout the cycle from our key commodities

## Commercial excellence

Strong customer relationships, high quality benchmark products, technical marketing and value-in-use pricing

## Operating excellence

Leadership in technology and productivity drives a sustainable and competitive cost position

## Strong and efficient balance sheet

Sustainable shareholder returns and value-adding growth

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# Transformed Energy business, well positioned to meet growing demand from Asia

**Markets at cyclical low but Asian electricity demand growth underpins recovery**

**Operations and marketing excellence delivering on volume, cost and price to maintain positive margins**

**High-quality resource bases provide options for the future**

**Leveraging our premium position in the Hunter Valley through further network productivity, low-cost expansions and synergies**

**Mount Thorley Warkworth, New South Wales**

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# Delivering significant value through technology & innovation

**Delivering high-quality investment options from reduced spend**

**Embedding the Pilbara's sector-leading project capability across the Group**

**Relentless pursuit of productivity gains**

**Rolling out proven technology & productivity platforms across the Group**

**Continue to lead the industry in step-change innovations**

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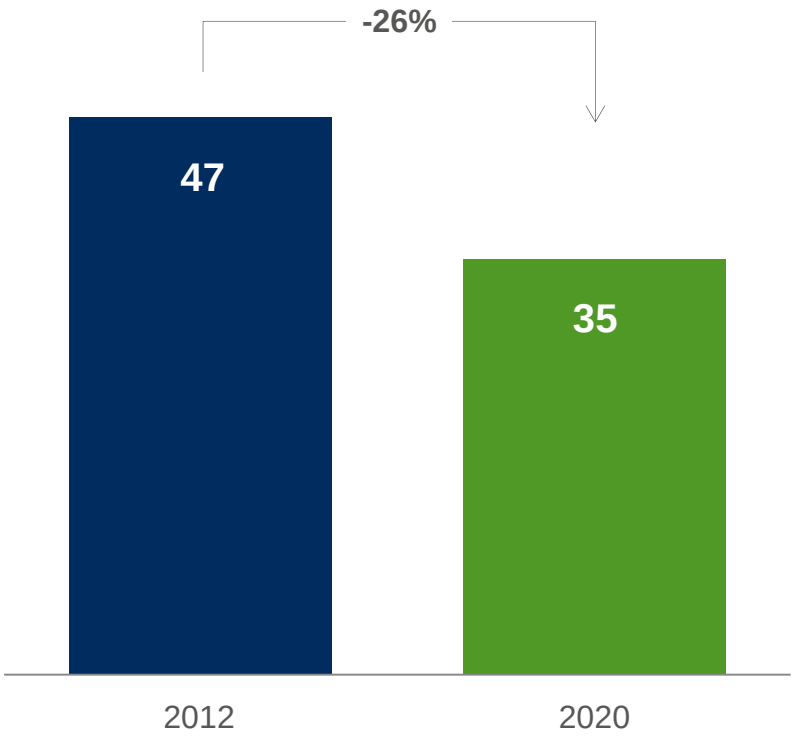
# Pilbara 360: ~40% IRR and five-year payback[1]

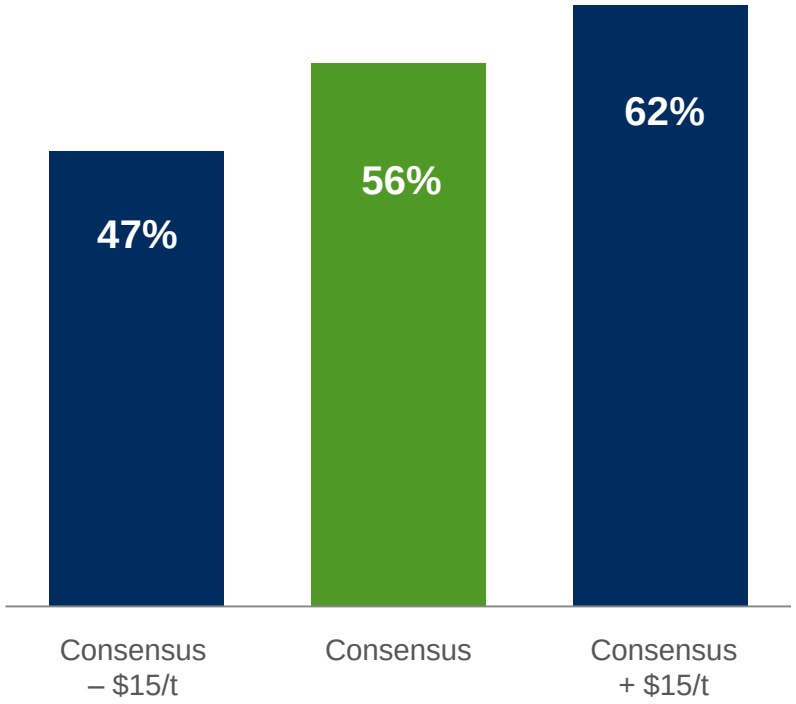
## Our sustainable cost advantage…

Rio Tinto Pilbara unit cost (US$/wmt CFR North China)[2]




## …generates robust long-term returns

Rio Tinto Pilbara EBITDA margin avg. 2015-19[3]




[1]Estimate based on Rio Tinto estimates and based on actual expected capital cost of the Pilbara 360 project.
[2]Unit costs include shipping, royalties and sustaining capex, excluding sustaining mines. 2012 actuals against 2020 target is in real 2012 US$ and includes adjustments for inflation and exchange rates.
[3]Projected EBITDA margins at consensus prices for 2015-2019. All references to EBITDA margins are based on Rio Tinto's own production forecasts which may include production in future years from projects which are yet to be approved.

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# Compelling project pipeline beyond iron ore

| | Titanium | Diamonds | Bauxite | Energy | Copper |
|---|---|---|---|---|---|
| |  |  |  |  |  |
| **Near-term pipeline** | Zulti South | Diavik A21 | South of Embley | Mount Pleasant | Oyu Tolgoi Phase 2 |
| **Project status** | Feasibility study | Approved | Feasibility study | PFS | Feasibility study |
| **Expected cash cost position** | Q1 | n/a | Q1 | Q1 | Q2 |
| **Expected first production** | 2017 | 2018 | 2018 | 2019 | 2019+ |

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# The Rio Tinto value proposition


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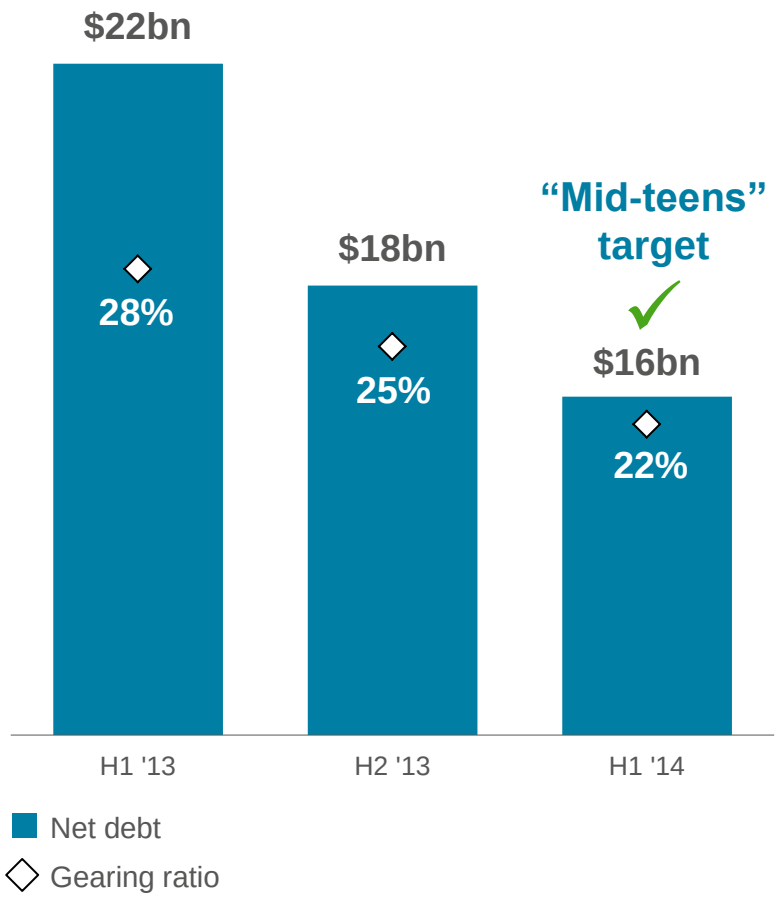
# Balance sheet strength and flexibility

## Net debt target achieved




- Maintaining a strong balance sheet amid challenging market conditions
- Targeting 20-30 per cent gearing ratio through the cycle[1]
- Ratio expected to remain at the lower end of the range in the near term
- Balance sheet headroom a key competitive advantage

[1] Gearing ratio = net debt/ (net debt + book equity).

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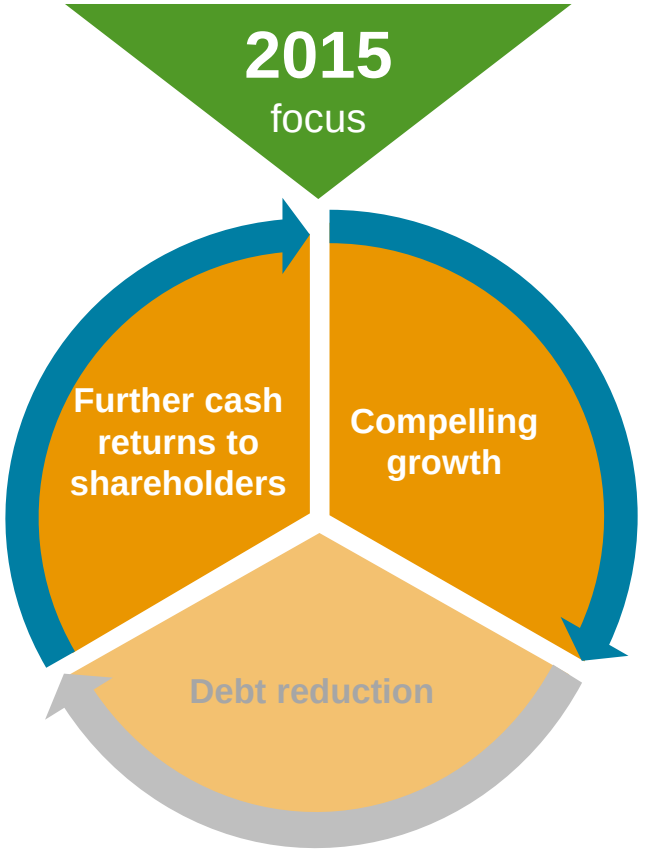
# Our capital allocation framework maximises shareholder value

**1. Essential sustaining capex**

**2. Progressive dividends**

**3. Iterative cycle of**

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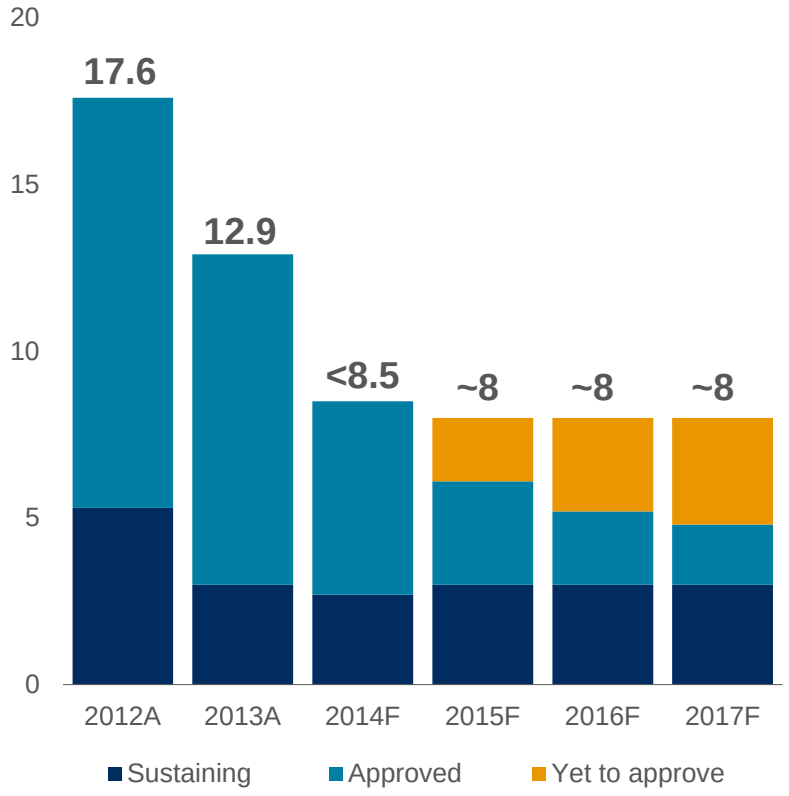
# Focus on capital efficiency

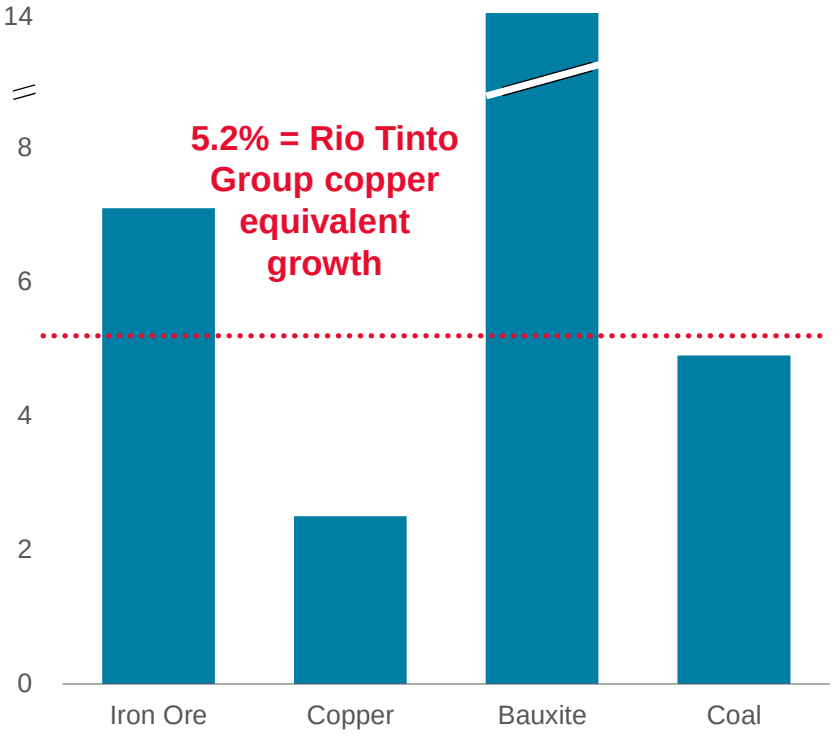
## Capital discipline…

Capital expenditure profile (US$ billion)




## …delivers measured growth

2013-19 production growth[1] (projected CAGR percentage)




Note: 2013 production data excludes assets that have been divested.
[1] Copper equivalent growth calculated at 2013 constant prices and based on Rio Tinto's own production forecasts which includes production in future years from projects which are yet to be approved.

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# The Rio Tinto value proposition


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# The world's best iron ore business

Andrew Harding, chief executive, Iron ore

# Our iron ore business is a compelling value proposition

**World-class assets, seamless supply chain, unencumbered optionality**

**Premium product suite, strong customer relationships, technical marketing expertise**

**Industry-leading margins, supported by automation, innovation and technology**

**Rio Tinto is maximising sustainable shareholder value**

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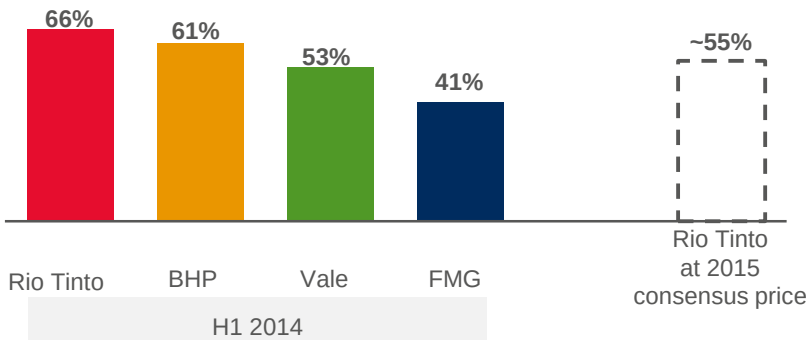
# Pilbara - the world's best iron ore business

## Industry-leading returns…

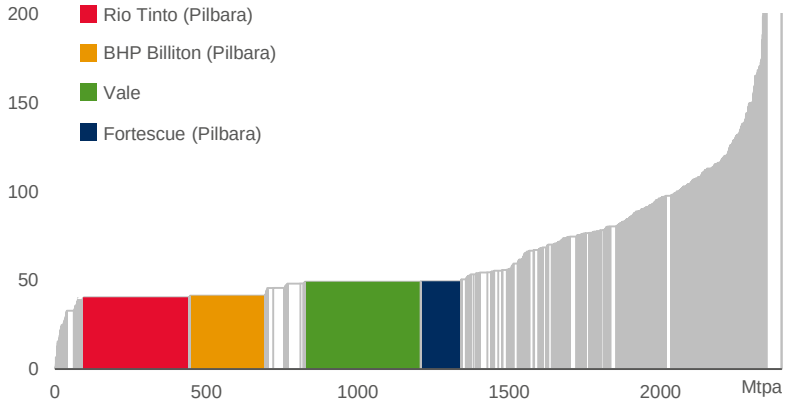
EBITDA margin (percentage)




Source: Rio Tinto; BHPB; Vale and FMG financial statements.

## …supported by industry-leading cost position

2020 industry cost curve (Real 2013 US$/wmt CFR)




Rio Tinto, Wood Mackenzie. Note: Includes shipping and sustaining capital expenditure, taxes and royalties and is adjusted for inflation and exchange rates.

- Total supply chain competence to seamlessly deliver a future 1 Mt/day
- Industry-leading EBITDA margins to continue
- Technology and innovation leadership
- Sufficient resources to sustain industry reference Pilbara Blend products
- Expected to remain the lowest cost major producer
- Anticipate a unit cost of around US$35/t by 2020
- Experienced executive management team creates and drives value

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# Value maximisation continues through 360 Mt/a completion and moving into production

**Expecting 220 – 360 Mt/a delivered at an industry leading capital intensity of ~US$110-120/t (100% basis)**

**360 Mt/a infrastructure programme is ~75% complete and on nominated schedule for H1 2015**

**~40 Mt/a of low-cost, brownfields growth approved and in implementation at a capital intensity of ~$9/t**

**On track for delivering 330 Mt in 2015 and 350 Mt by 2017**

**Silvergrass investment decision able to be deferred until 3Q 2015 at the earliest**

**Cape Lambert car dumper**

**Cape Lambert shiploader**

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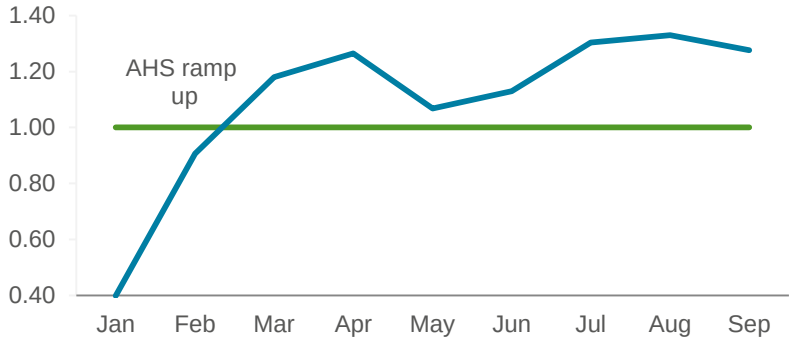
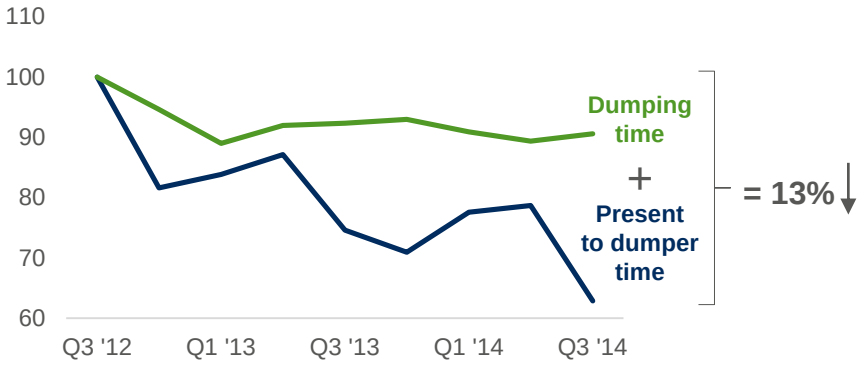
# Leveraging innovation and technology to drive productivity and cost leadership

**Hope downs 4 - AHS haul truck productivity**
Tonnes / hour indexed relative to best manned site




**Parker Point dumping cycle times**
Index relative to third quarter 2012




## Autonomous trucks

- Improved safety, cycle time and utilisation
- At Hope Downs 4 AHS:
  - is exceeding manned effective utilisation by ~14%; and
  - decreasing load and haul operating costs by ~13%

## Low cost improvement - Parker Point

- 20% increase in dumper capacity through:
  - Improved presentation and dumping times = 13% reduction in time taken to unload trains; and
  - Increased dumping rates

**$20.4 cash unit cost for 1H 2014**

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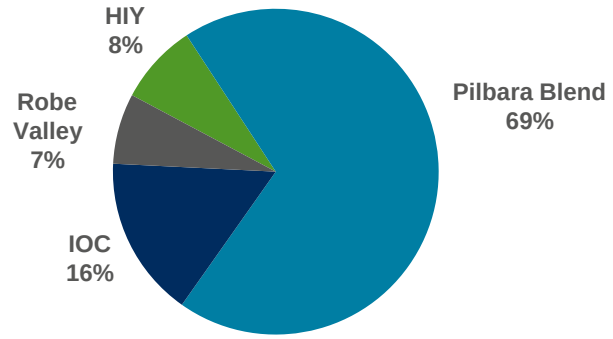
# Focusing on our customers and optimising our resource base

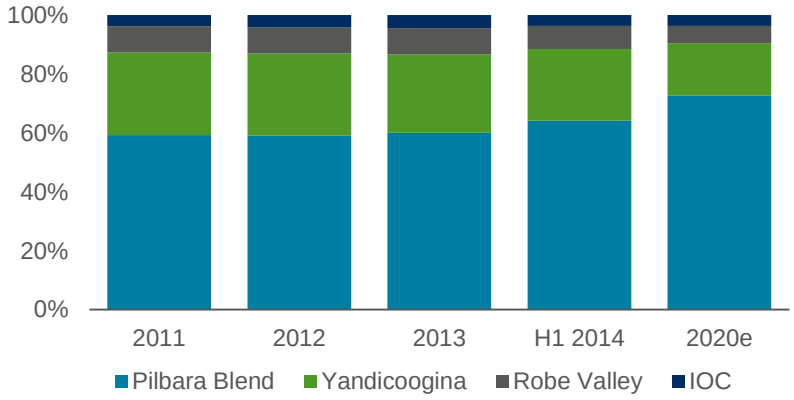
## Product aligned to our reserves

Percentage of Rio Tinto 2013 Ore Reserves




## Optimising the value of our growth

Percentage of annualised sales by product




- Expansion focused on our industry reference Pilbara Blend products
- Pilbara Blend offers customers long-term, reliable, consistent product quality
- Value-maximising mix, aligned to customer needs and our resource base
- Sequencing and blending optimises the total system
- Ore Reserves base supports a sustainable product suite
- Optimising our market placement through segmentation

Source (top chart): Rio Tinto 2013 Ore Reserves Statement.

Source (bottom chart): Historical shipments and 2020 production plan.

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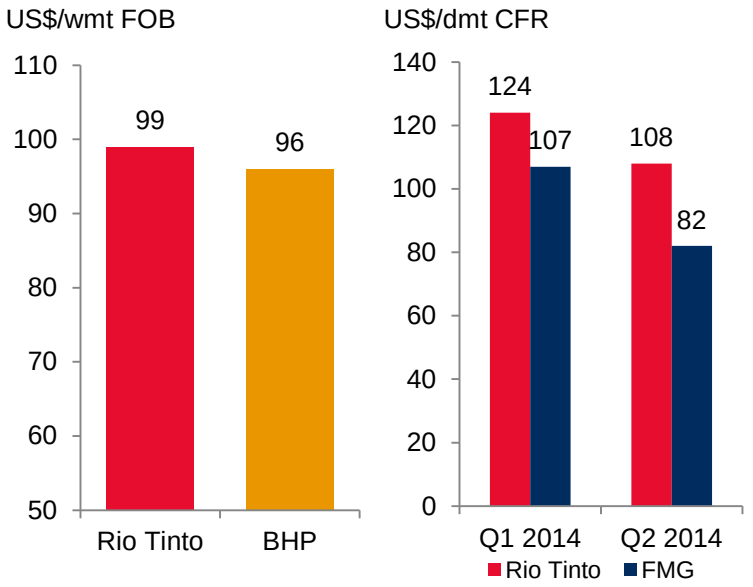
# Capturing full value from our product suite and marketing expertise

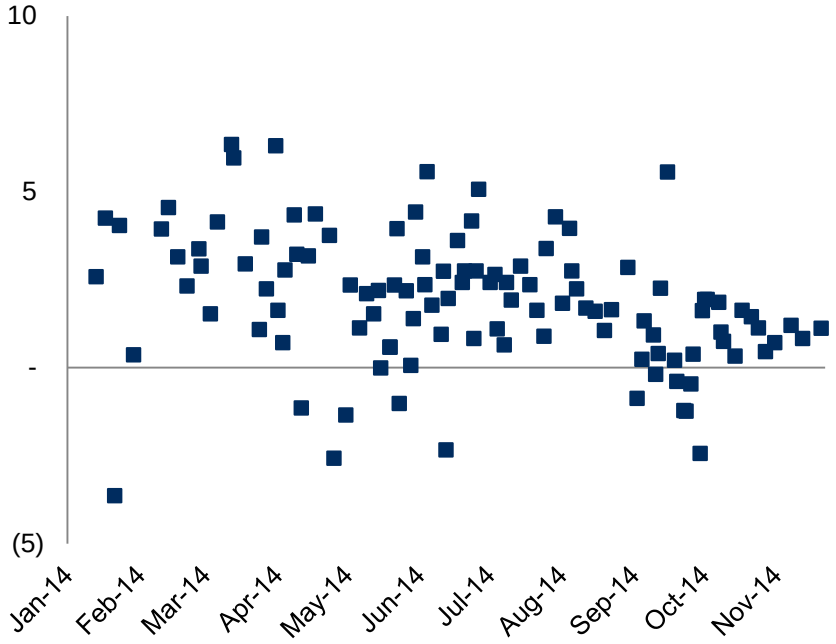
- Higher average FOB price than other Pilbara producers in H1 2014
- Pilbara Blend Fines spot sales consistently achieve a premium over the Platts 62% Fe index

**Comparative average price performance H1 2014**




*BHP: As per BHP Billiton Operational Review for the year ended 30 June 2014*
*FMG: As per FMG Q1 and Q2 2014 Quarterly Reports*
*Rio Tinto: FOB revenue has been grossed up for 100% CFR comparison purposes Freight assumption uses the average of the Baltic Capesize Index C5. Moisture assumption of 8%*

**PBF spot premiums relative to Platts 62% Fe index**
US cents per dry metric tonne unit

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# Significant shareholder value generated through the cycle

**World-class, fully integrated system with unencumbered optionality**

**Silvergrass deferred in favour of capital efficient options – maintains 330 Mt in 2015 and 350 Mt in 2017**

**Pilbara Blend is the reference for 62% Fe indices and able to be sustained**

**Marketing expertise captures full value from our products and resources**

**Powerful first-mover application of technology and innovation**

**$20.4/t unit cash cost and goal to remain Pilbara's lowest cost producer**

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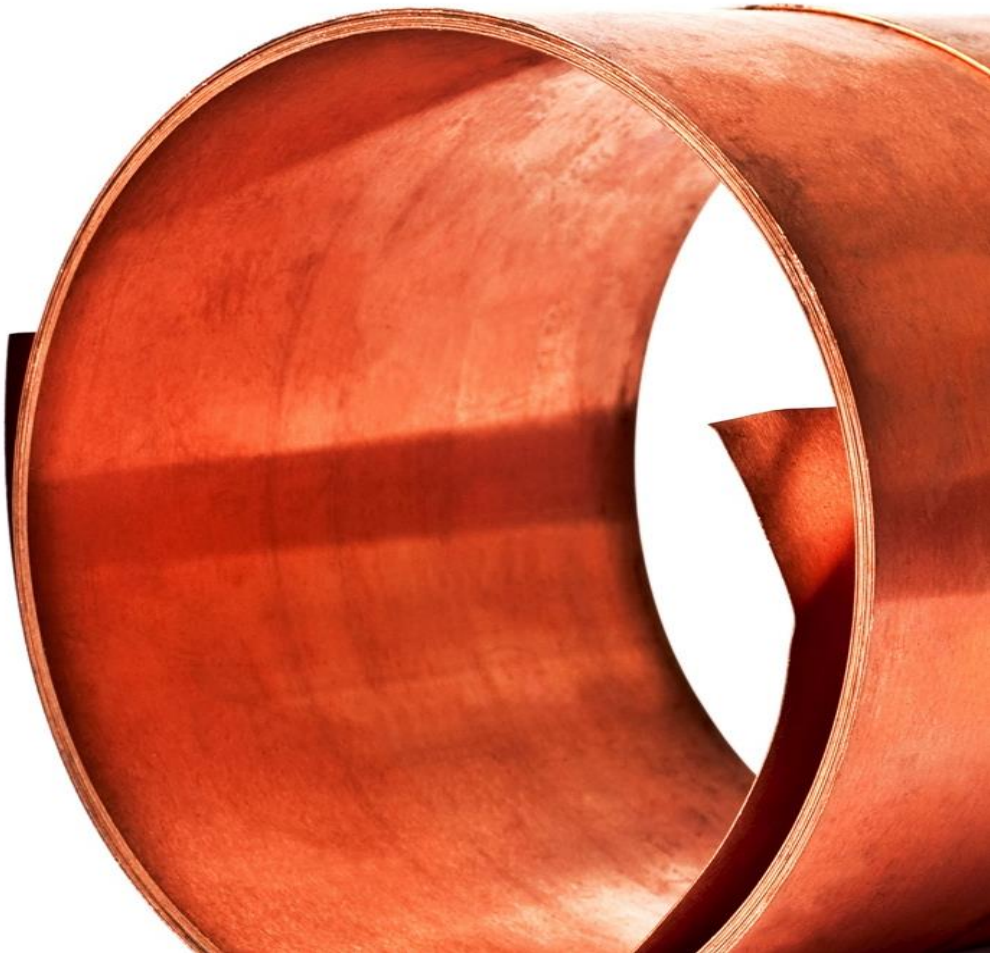
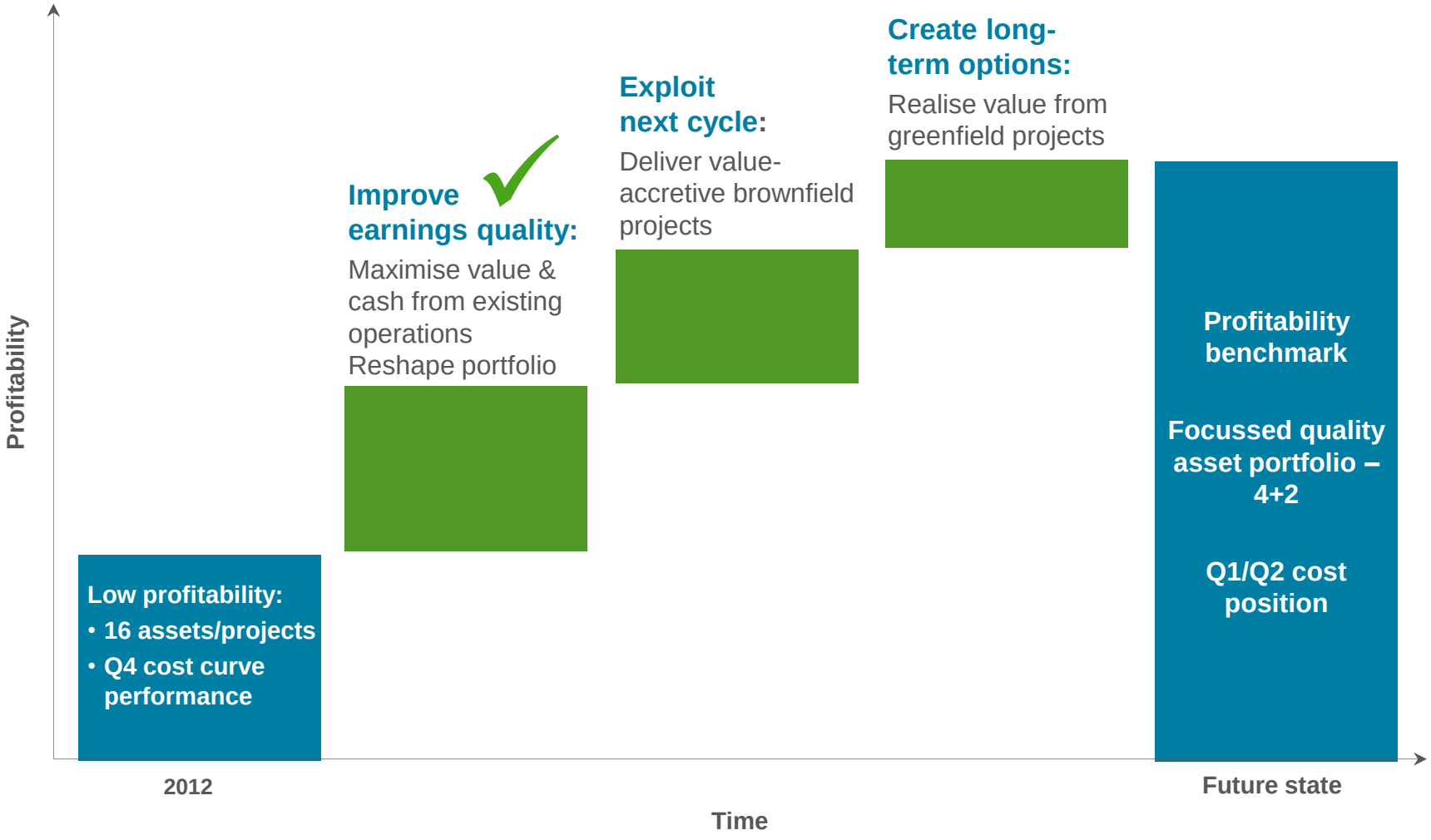
# Creating a leading copper business

Jean-Sébastien Jacques, chief executive, Copper



# A clear strategy to become a benchmark for profitability in the copper industry

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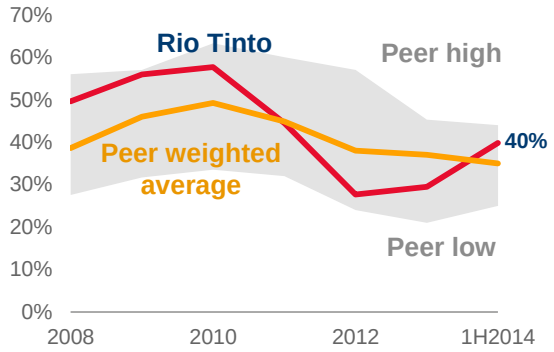
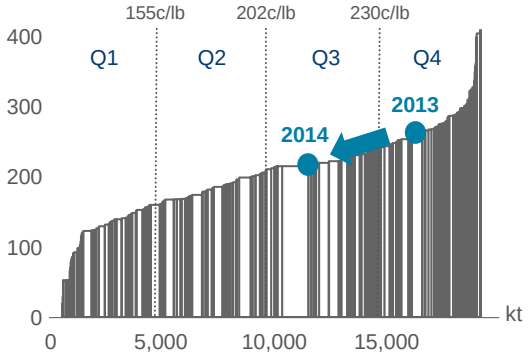
# Delivering results: operating & commercial excellence drives earnings quality

## Improving EBITDA margin




Note: Peers include BHP, Antofagasta, Anglo-American, Freeport, Codelco & Glencore. Taken from publicly available information and includes adjustments to reported performance to make comparable.

## Improving cost competitiveness




Source: Wood Mackenzie, Rio Tinto Copper. Copper equivalent cost curve (CuEq costs vs Cu production) – Cost includes sustaining capex and royalties. Rio Tinto assets are indicative average cost estimates

## Now generating free cash flow[1]

**>$1bn improvement**

H1 2014 vs H1 2013

[1] Free cash flow excludes disposal proceeds of $1.8bn in 2013 and TRQ rights issue of $1.2bn in 2014

## Reducing costs

**>$800m**

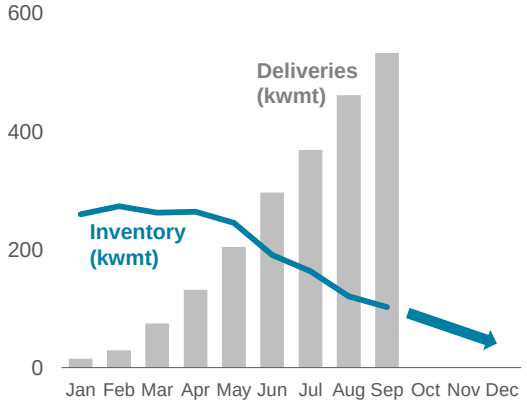
cash cost savings **since 2012**

## Refocusing portfolio

**$1.8bn**

proceeds in 2013 + divested **Sulawesi** & exited **Pebble** in 2014

## Ramping up Oyu Tolgoi shipments

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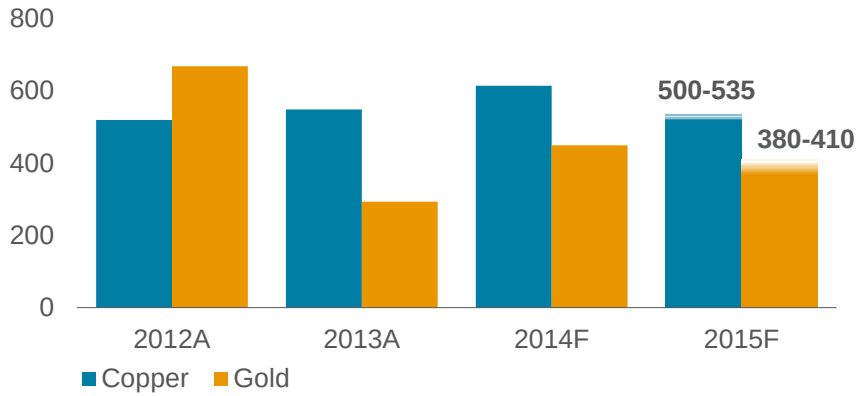
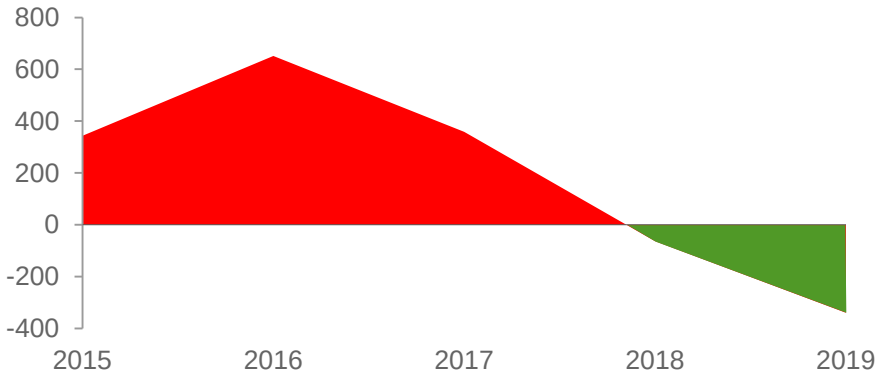
# Production and market outlook

**Copper production profile – Rio Tinto share**
2012–2015 production profile (Kt Mined Cu/Koz Au)




Excludes Palabora from July 2013 & excludes Northparkes from January 2014.

**Refined copper supply / demand balance**
(Kt Cu)




Source: Wood Mackenzie estimates.

## 2015 production guidance

- Kennecott Utah Copper expected to be impacted by management of geotechnical risks to protect wall stability
- Assumes Oyu Tolgoi open pit operating at nameplate capacity

## Market outlook

- Notional copper market surplus could put pressure on 2015 prices
- Strong long-term fundamentals

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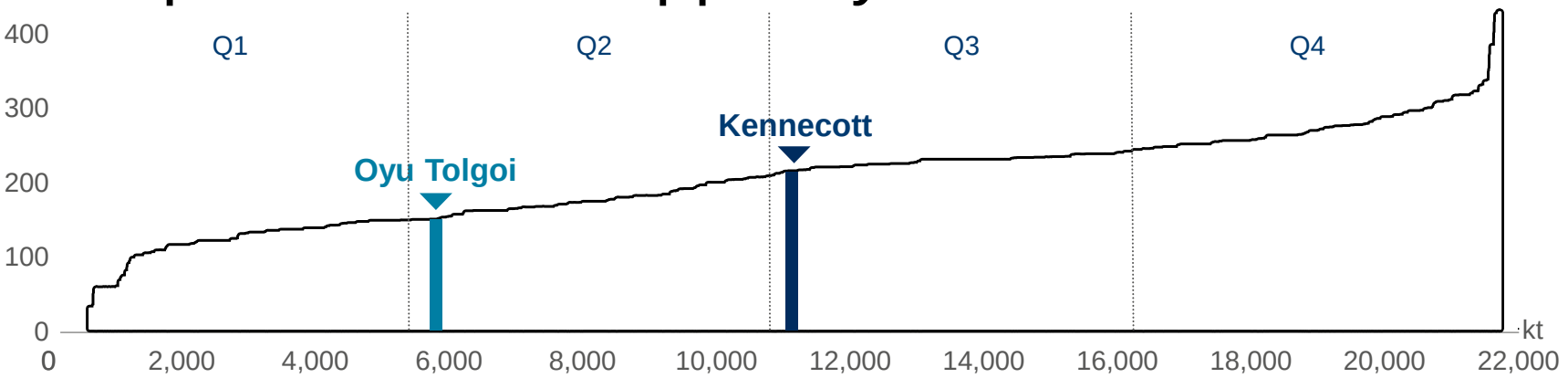
# Deliver value-accretive brownfield growth projects to exploit the next copper cycle




Source: Wood Mackenzie, Rio Tinto Copper. 2018 copper equivalent cost curve (CuEq costs vs. Cu production) – Cost includes sustaining capex and royalties. Oyu Tolgoi and Kennecott are indicative average cost estimates.

## Oyu Tolgoi Underground

- **OT Hugo Dummett Underground Probable Mineral Reserves of 499Mt @ 1.66% Cu[1, 4]**
- **World-class resource: 80% of value in underground**
- **Technical report issued by Turquoise Hill Resources in October 2014**
- **Expected capex $4.9 billion[2]**
- **Discussions with Government of Mongolia ongoing**

## Kennecott Utah Copper South Pushback

- **Bingham Canyon Open Pit - Total Proved & Probable Reserves of 748Mt @ 0.47% Cu[3, 4]**
- **Reserve includes Cornerstone south wall pushback of 515 Mt of 0.79% Cu Eq. ore**
- **Maintain production profile to exploit next market cycle post 2018**
- **Final funding decision in H1 2015**

[1] Turquoise Hill Resources Ltd 2014-10-27 Oyu Tolgoi Technical Report. Mineral Reserves are derived using $/T NSR – details supplied in the 2014 Oyu Tolgoi Technical Report available on Turquoise Hill Resources Ltd's website at http://www.turquoisehill.com/i/pdf/2014-10-27_OyuTolgoiTechReport.pdf . This report was prepared by B Peters FAusIMM employed by OreWin Pty Ltd, based on ore reserves estimated by J Dudley MAusIMM(CP), a Competent Person.
[2] Source: Turquoise Hill Resources Ltd. Oyu Tolgoi Technical Report, Oct. 2014 (excludes power station & capital already spent in 2013 & 2014).
[3] JORC compliant reserves taken from Rio Tinto 2013 Annual Report dated 5 March 2014 and released to ASX on 14 March 2014. The Competent Person responsible for that previous reporting was J Vickery AusIMM.
[4] Rio Tinto is not aware of any new information or data that materially affects these reserves estimates, and confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The form and context in which the competent persons' findings are presented have not been materially modified.

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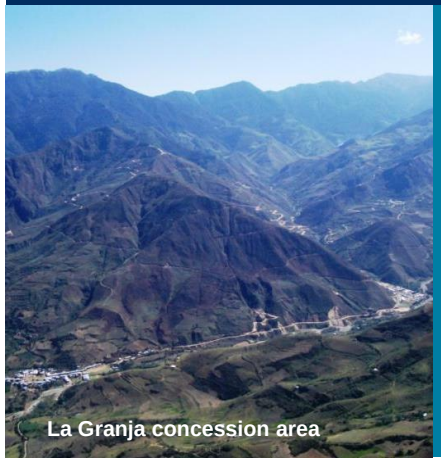
# Create future options with world-class greenfield projects in low-risk jurisdictions

## Resolution

- **Inferred Mineral Resource of 1,737Mt @ 1.52% Cu[1]**
- **Potential long life (> 40 y) high production operation**
- **Permitting underway**
- **First shaft completed**

Resolution shaft #10 completed


La Granja concession area

## La Granja

- **Indicated Resource of 100 Mt @ 0.89% Cu and inferred Resource of 4,290Mt @ 0.51% Cu[1]**
- **Potential long life (>50y) high production operation**
- **Reshaping underway**

[1] JORC compliant resource taken from Rio Tinto 2013 Annual Report dated 5 March 2014 and released to ASX on 14 March 2014. The Competent Persons responsible for that previous reporting were P Salazar AusIMM (La Granja) and C Hehnke AusIMM (Resolution). Rio Tinto is not aware of any new information or data that materially affects these resource estimates, and confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The form and context in which the competent persons' findings are presented have not been materially modified.

Note: Mineral Reserves are derived using $/T NSR – details supplied in the Rio Tinto 2013 Annual Report, Mineral Resources are reported using a Cu COG

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# A clear strategy to create long-term value

## **Four** key operating assets

**Oyu Tolgoi**

**Kennecott**

**Escondida**

**Grasberg**

## **Two** greenfield options

**La Granja**

**Resolution**

**Strong long-term fundamentals despite short-term volatility**

**Focus on safety**

**Trusted partner**

**Clear strategy to deliver sustainable value:**

- **Maximise value from existing operations**
- **Deliver brownfield growth projects to leverage the next copper cycle**
- **Progress future world-class greenfield growth options**

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# Well positioned for consumer driven growth

Alan Davies, chief executive, Diamonds & Minerals

# Delivering on our promises

## Improve

### Reducing costs

**US$627 million**

Cumulative year on year gross operating, exploration & evaluation cost reductions January 2013 to June 2014[1]

### Reducing working capital

**US$271 million**

Reduction to H1 2014 since Jan. 2013[2]

## Strengthen

### Reducing capex

**US$541 million**

Cumulative year on year capex reductions January 2013 to June 2014[3]

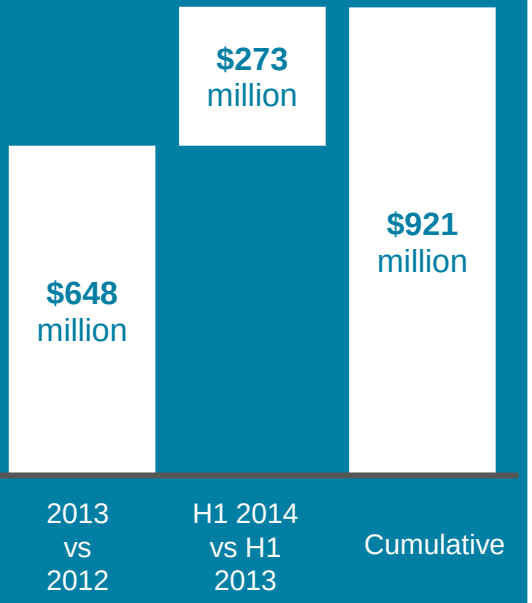
### Progressing high value projects

**A21**
**Argyle**
**MDDK**

**Zulti**
**South FS**
**Simandou FS**

## Deliver

### Increasing free cash flow




Cumulative increases to free cash flow since 2012[4]

[1]FY 2013 vs FY 2012 and H1 2014 vs H1 2013 gross operating, exploration and evaluation cost reductions. Excludes Simandou and includes volume impacts. [2]Reported December 2012 trade working capital vs reported June 2014 trade working capital. Excludes Simandou. [3]FY 2013 vs FY 2012 and H1 2014 vs H1 2013 reductions in capital expenditure. Excludes Simandou, includes EAU capex. [4]FY 2013 vs FY 2012 and H1 2014 vs H1 2013 increases in free cash flow. Excludes Simandou.

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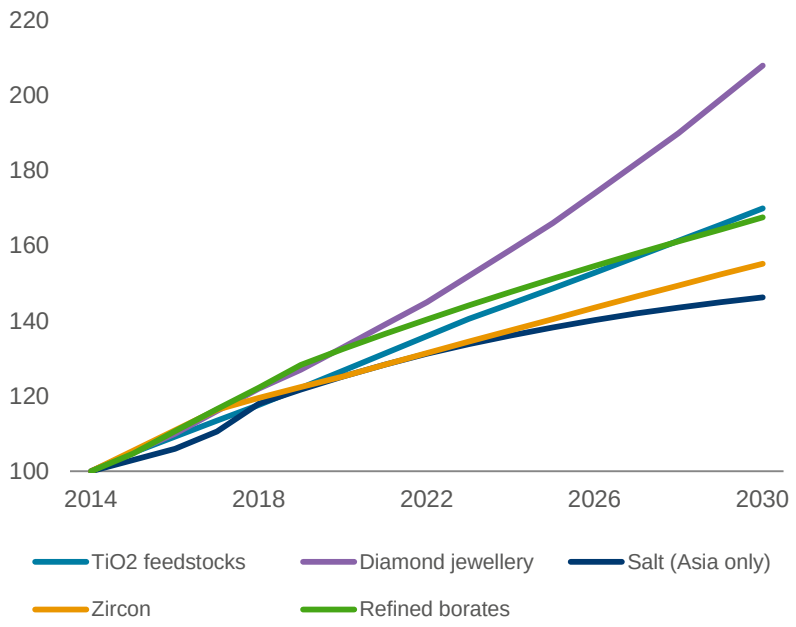
# Well positioned for consumer-driven growth

## Mid-to-late cycle demand trajectories

Indexed 2014

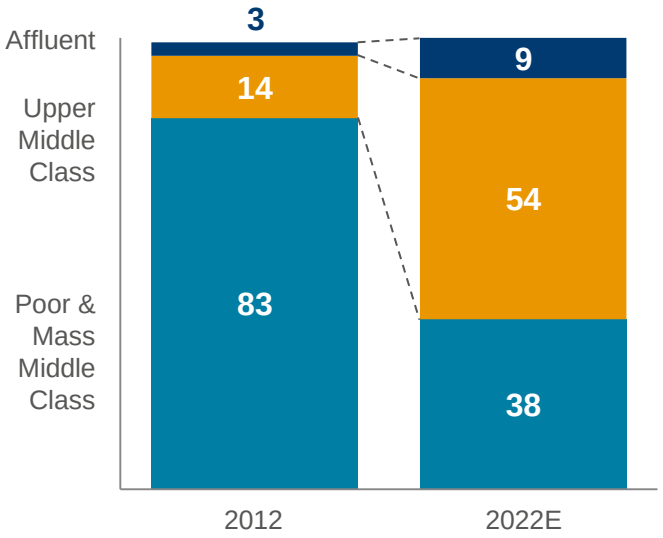



- Geared to demand growth in later stages of economic development
- Supported by increasing per capital incomes in emerging economies

Source: Rio Tinto estimates

## Driven by consumption

Chinese urban households* (percentage)




- Expanding Chinese urban middle class fuelling consumer-driven growth
- Chinese urbanisation rates to increase from ~55% to ~65% by 2025

*Income classes by average annual household income.

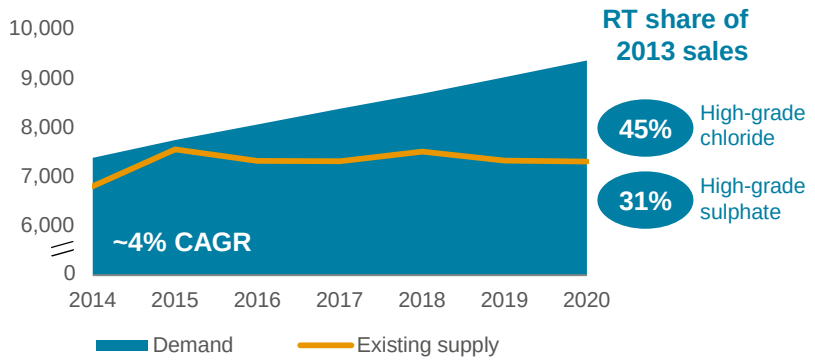
Source: McKinsey Insights China - Macroeconomic model update, April 2012; Rio Tinto estimates

RioTinto

# Strong market position in attractive industries

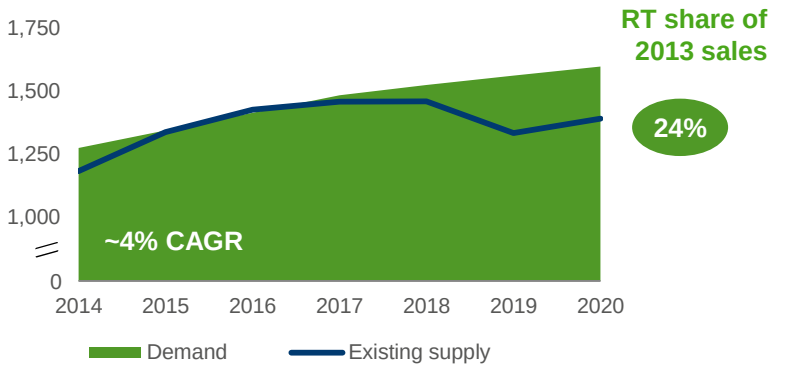
## $TiO_2$ feedstock demand and supply

'000 $TiO_2$ units



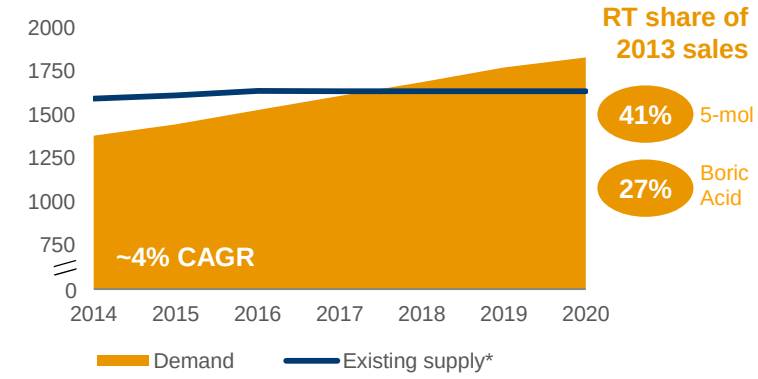

## Zircon demand and supply

'000 tonnes



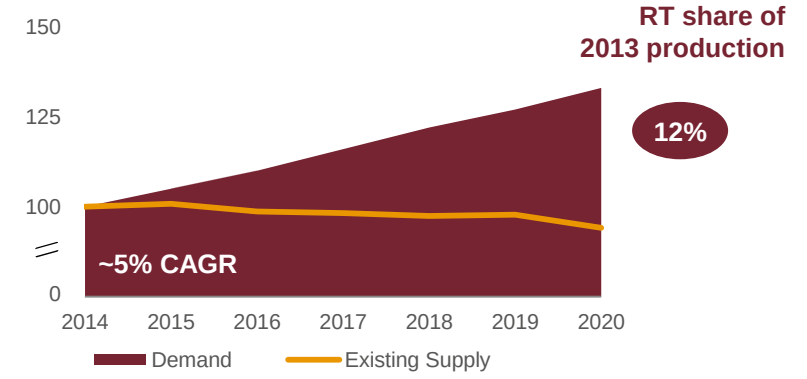

## Refined borates demand and supply

'000 tonnes $B_2O_3$




## Diamond demand and supply

Indexed 2014




*Assumes 85% capacity utilisation.

Note: Forecast CAGR figures are for demand growth over the period. Source: Rio Tinto estimates.

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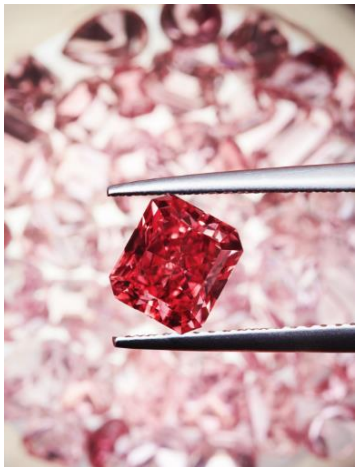
# Maximising value through customer and market orientation

Fashion jewellery



Argyle pinks

Technology Centre, Suzhou

- Global marketer with integrated mine-to-market capabilities
- Value-based pricing
- Diversified geographic, customer and product mix
- Commercial excellence driven by market insight
- Creating new markets for our products e.g. fashion jewellery
- Creating new demand through developing new applications using our deep technical insights e.g. borates in wood preservation
- Track record of value creation e.g. pink diamonds tender

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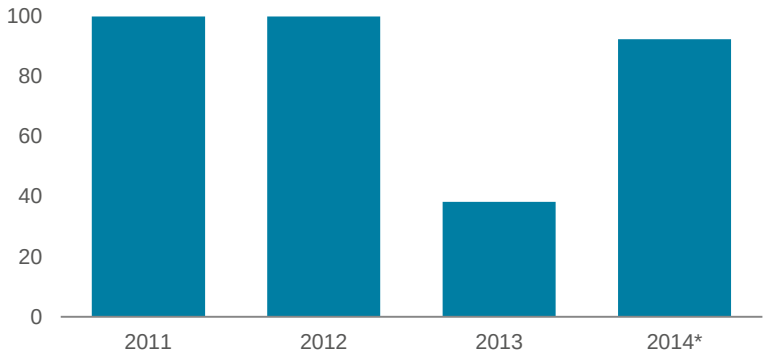
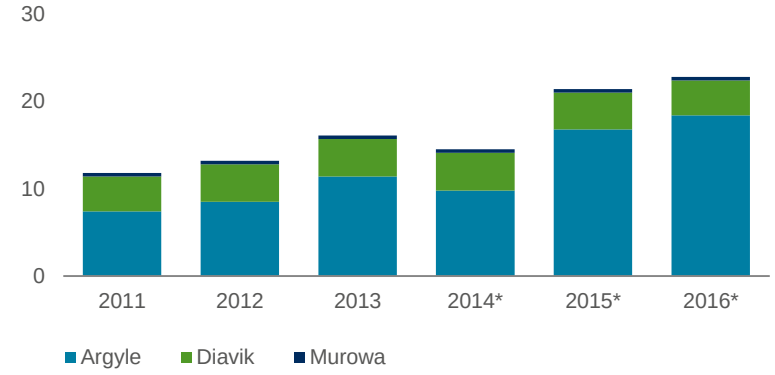
# Demand-led operating philosophy

**Zircon production**
Indexed 2011




**Diamond production**
Million carats, Rio Tinto share




*Forecast data

- Aligning production to market demand
- 2014 $TiO_2$ feedstock production 20% below 2011 levels
  - Sorel Furnace 5 remains offline
  - Furnaces running to optimise peak power periods
  - Continue to flex UGS production
  - Temporary shut downs at Havre-Saint Pierre and QMM
- 2014 borates production back to 2011 level
- Diamonds business well positioned with Argyle production ramping-up

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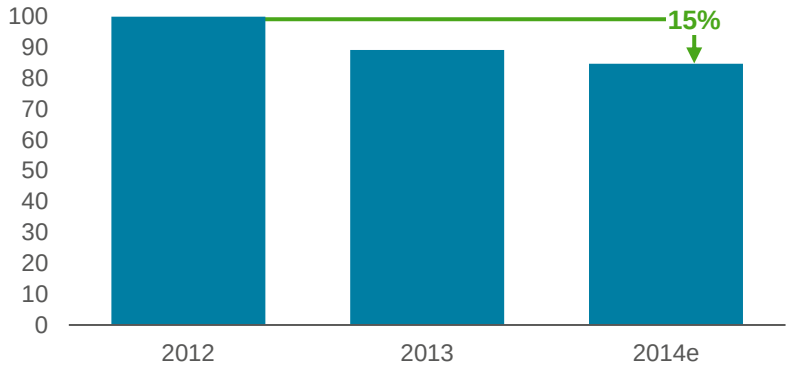
# Cost and productivity improvements

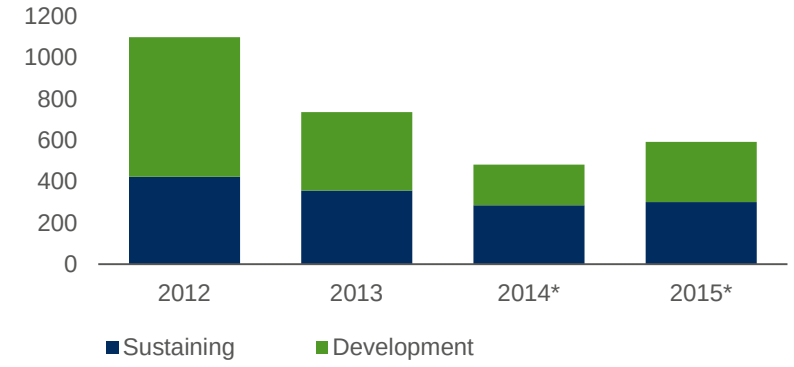
**Diamonds & Minerals cash operating costs**

Indexed 2012




**Diamonds & Minerals capital spend**

US$ million (100% basis and excluding Simandou)




*forecast data. Development spend includes A21 and Zulti South.

- Improving productivity and reliability:
  - System and process optimisation
  - Consistent and controlled operating procedures
  - Working capital optimisation across the supply chain
  - LEAN implementation to ensure agility and flexibility
- Ongoing transformation and cost reduction programmes at all sites
- Reduced headcount by almost 2,000 since end of 2012
- Focussed capital programme with options to grow to market requirements
  - Zulti South ($TiO_2$)
  - Bunder (diamonds)
  - Jadar (lithium, borates)
  - $TiO_2$, Mozambique
  - Potash, Canada

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# Compelling project pipeline

## Diamonds, Diavik A21

A21 will be Diavik's third dike and open pit

- Development of the fourth kimberlite pipe at Diavik, A21, approved
- Estimated cost of $350 million over four years
- A21 diamond production planned for late 2018
- Provides an important source of incremental supply, ensuring the continuation of existing production levels

## Titanium, Zulti South

An industry leading $TiO_2$ resource with valuable zircon and rutile co-products

- Feasibility study on track for a 2014 completion
- Maximises the use of installed smelting capacity
- Enables Richards Bay Minerals to sustain current production rates for the next two decades

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# Delivering Simandou feasibility study

- World-class, undeveloped high-grade iron ore deposit
- Ratified Investment Framework establishes a robust investment regime
  - Separated the mine and infrastructure
  - Third party infrastructure consortium to be established
- Feasibility study in progress

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# Extremely well positioned to continue delivering increased free cash flow

**Mid-to-late cycle commodities driven by rising wealth and consumption**

**Reshaping industries in which we operate**

**Demand-led philosophy supported by a global customer and market oriented business model**

**Cost and productivity improvements will enhance structural position as demand returns and grows**

4 December 2014
London

RioTinto

# The world's best aluminium business

Alf Barrios, chief executive, Aluminium

# We are transforming our business…

## Reduced costs

**$802m**

Achieved by H1 2014 vs. 2012

## Restructured portfolio

**25%** aluminium

**33%** alumina

capacity sold, curtailed or closed since 2009

## Increased bauxite exports

From **12 to 20** million tonnes*

through Gove transformation and Weipa creeping since 2011

## Improved smelter cost position

**40%** 2011

**80%** 2015

Capacity in first quartile

*Using annualised average exports over the third quarter 2014 compared to 2011

[1] Source:CRU

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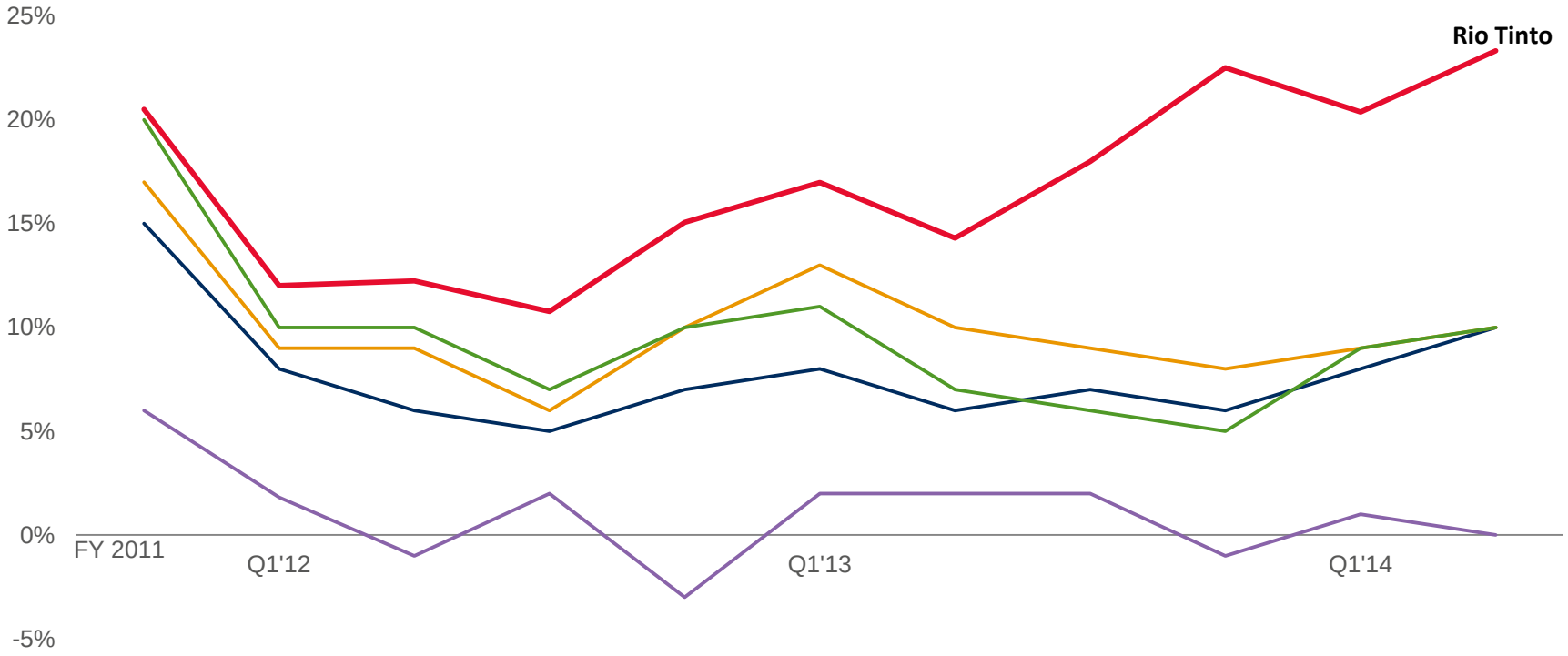
# …and increasing our margins

**EBITDA margin vs. peers**
Percentage




Note: Rio Tinto Alcan internal benchmarking for upstream businesses which includes adjustments to externally reported EBITDA for trading, procurement and marine to report performance on a comparable basis. Analysis excludes the Gove refinery.

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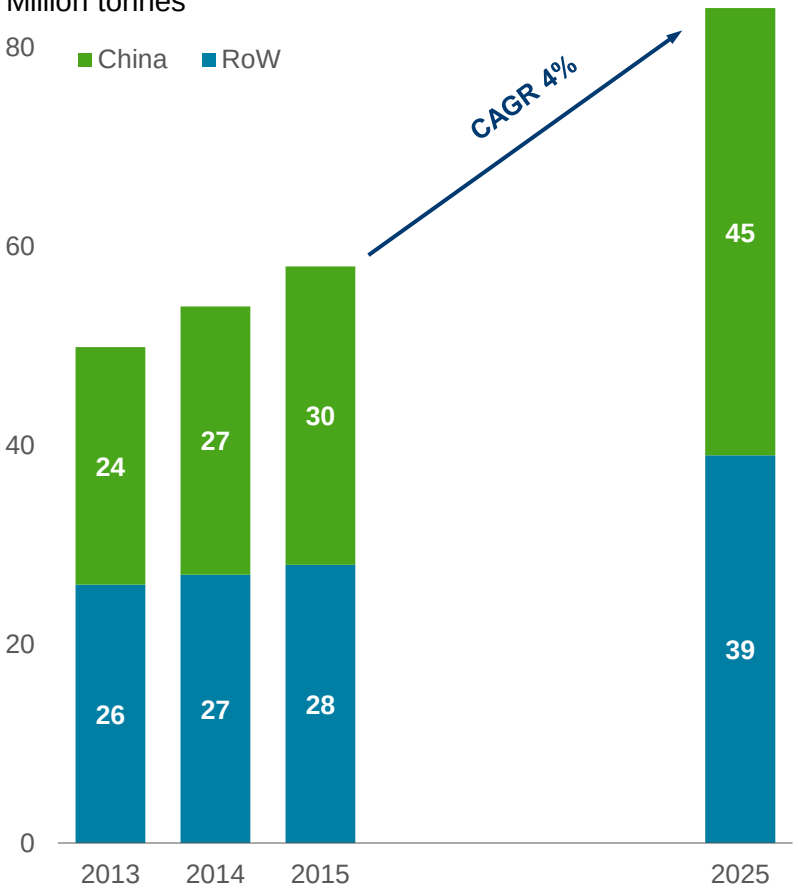
# Well positioned to benefit from improving markets

## Primary aluminium demand

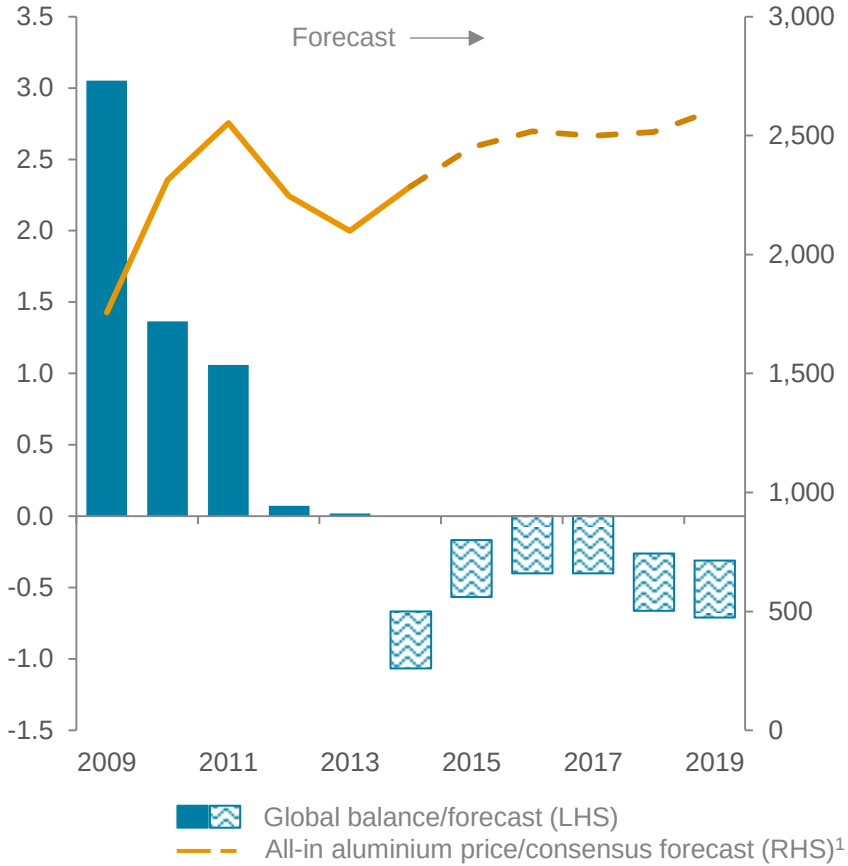
Million tonnes




Source: Rio Tinto and CRU estimates.

## Primary aluminium balance and prices

Million tonnes | US$ per tonne




Source: Rio Tinto, CRU, Wood Mackenzie, Morgan Stanley, Northcoast, JP Morgan, Credit Suisse, Barclays, Harbour and others.

[1]All-in aluminium price includes LME and regional premiums.

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# Clear focused strategy - bauxite and first quartile smelters are key pillars

| | Bauxite | First quartile smelters |
|---|---|---|
| **Competitive advantage** | Industry-leading bauxite position | Low-cost, renewable energy portfolio |
| **Strategic focus** | Market-paced growth | Cash generation |
| **Key enablers** | Alumina supply and security | |
| | Commercial excellence | |
| **Strategic goal** | Industry-leading performance through the cycle | |

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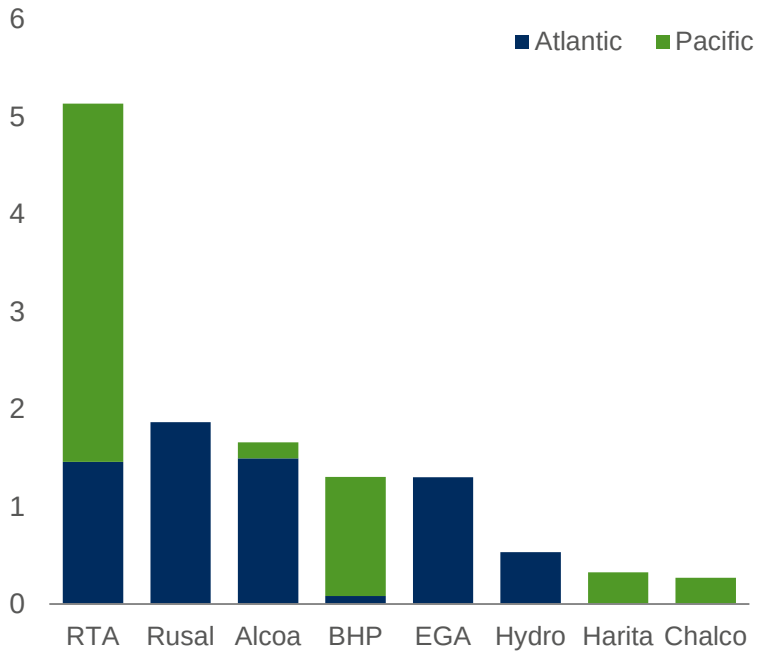
# Leading bauxite position driving value-accretive growth

## Leading bauxite position

Global bauxite resources (Billion tonnes)[1]




[1] Taken from published company data.
[2] Projected EBITDA margins at consensus prices for 2014-2019 on third party sales. All references to EBITDA margins are based on Rio Tinto's own production forecasts which may include production in future years from projects which are yet to be approved.

### Unrivalled Tier 1 assets

- Largest bauxite position with interests in three of the world's major bauxite mines
- Well located to supply increasing demand in China and the Middle East

### Market-paced growth

- Further growth options at Cape York, Guinea and Brazil

### Capturing upstream value

- Bauxite business generating >50% FOB EBITDA margins[2]

### Leveraging commercial capabilities

- Establishing Cape York bauxite as preferred product for Chinese imports
- Currently exporting ~20 million tonnes from Weipa and Gove into China

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# South of Embley project is a Tier 1 investment opportunity

**Production:**
22.8mtpa
(~12mtpa replaces Weipa tonnes)

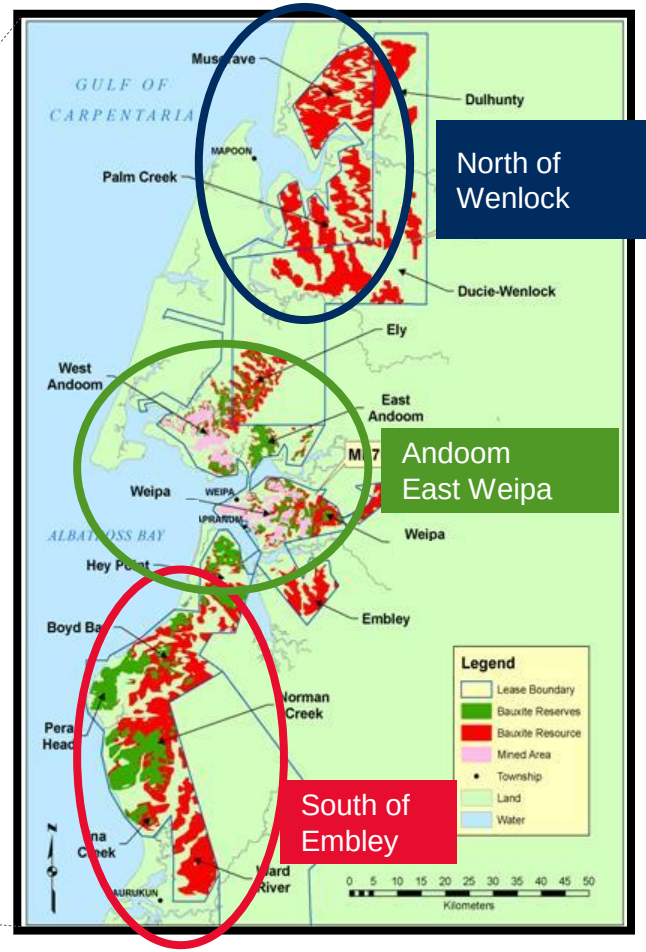
**Ownership:**
100% Rio Tinto

**Scope:**
Mine, port, infrastructure

**Mining costs:**
First quartile

**Expansion:**
Options to 50mtpa

**First Production:**
2018


[1] Reserves and resources as taken from Rio Tinto's 2013 Annual Report dated 5 March 2014 and released to ASX on 14 March 2014. The Competent Persons responsible for that previous reporting were L McAndrew AusIMM (Reserves) and J Bower AusIMM (Resources). Rio Tinto is not aware of any new information or data that materially affects these reserve or resource estimates, and confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The form and context in which the competent persons' findings are presented have not been materially modified. Mineral resources are reported exclusive of ore reserves.
Note: Project still subject to completion of final Feasibility Study.

**Cape York Bauxite**
**1.5 billion tonnes Ore Reserves[1]**
**2.0 billion tonnes Mineral Resources[1]**

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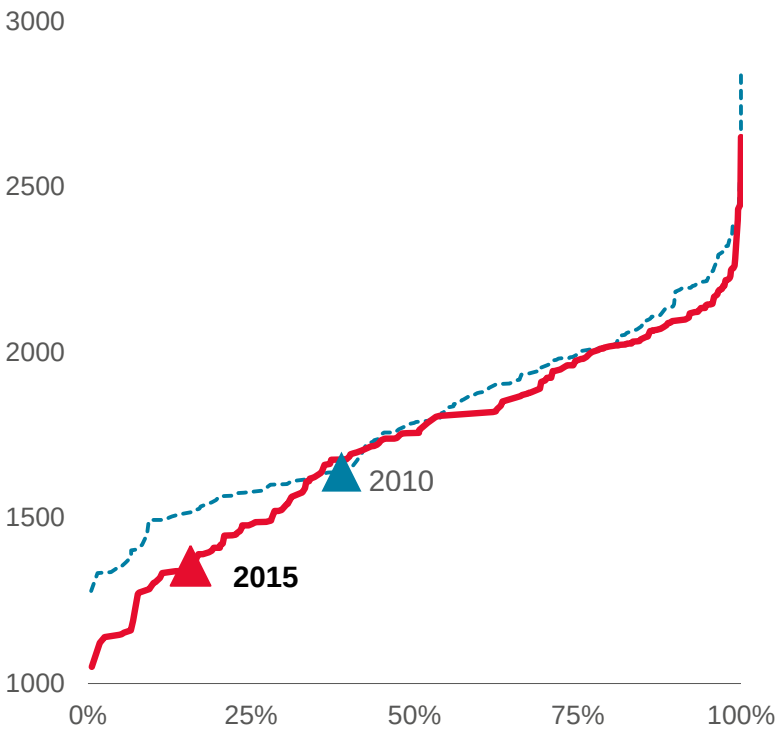
# Low-cost smelting business driving cash generation

**Aluminium cost curves**
Operating cost (US$ per tonne)




Source: CRU. Note: 2015 data excludes Alucam and Soral as both are being divested.
[1] Post completion of the Kitimat modernisation project due to complete at the end of H1 2015.

## Most modern, low-cost assets in industry

- 80% in first cost quartile on aluminium cost curve[1]
- ~50% of power needs from self-generated, low-cost, long-life hydro assets
- ~80% of power used from low carbon sources
- Kitimat on track for commissioning in H1 2015

## Relentless focus on cash generation and sector-leading margins through the cycle

- Driving operational excellence through cost and productivity improvements
- Technology position supporting low capital/ high return creep
- Leveraging commercial capabilities for further value creation
- Future growth optionality through low-cost hydro power in Canada

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# The world's best aluminium business

**Tier 1 assets in bauxite and smelting**

**Well positioned to capitalise on improving market outlook**

**Clear focused strategy for each business**

**Market-paced bauxite growth**

**Driving cash generation from smelting business**

**Balanced alumina position providing competitive security of supply**

**Delivering industry-leading performance through the cycle**

# Building the world's best mining company

The world's best Iron Ore and Aluminium businesses. A leading Copper business, transformed Energy business and world-class Diamonds & Minerals portfolio

Relentless focus on cost and productivity underpins our robust free cash flow generation capacity – supporting our progressive dividend and materially increased shareholder returns


A strategically and financially compelling project pipeline supports our near-term growth and provides longer-term optionality

Capex reductions, focus on capital efficiency and our disciplined capital allocation framework work together to maximise shareholder value

A focus on safety, technology, innovation and commercial excellence generates significant and tangible shareholder value

Our robust and deleveraged balance sheet is a key competitive advantage - providing significant strength and embedded flexibility

RioTinto

4 December 2014
London

RioTinto

# Appendices

# Consensus price deck

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|
| **Aluminium** (LME + Regional premium) (US$/t) | 2,286 | 2,451 | 2,518 | 2,499 | 2,515 | 2,608 |
| **Coking coal** (Prime hard coking coal FOB) (US$/t) | 116 | 131 | 142 | 148 | 158 | 174 |
| **Copper** (LME grade) (US¢/lb) | 313 | 308 | 314 | 336 | 346 | 347 |
| **Iron ore** (62% Fe fines FOB WA) (US$/t) | 91 | 76 | 73 | 74 | 79 | 82 |
| **Thermal coal** (Newcastle FOB) (US$/t) | 76 | 76 | 81 | 85 | 95 | 100 |
| **AUD/USD** | 0.91 | 0.89 | 0.90 | 0.89 | 0.89 | 0.87 |
| **CAD/USD** | 0.91 | 0.88 | 0.89 | 0.89 | 0.90 | 0.90 |

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Note: Consensus estimates compiled from 14 analysts including 11 banks and three industry consultants (Wood Mackenzie, CRU and AME) on 29 October 2014. For aluminium LME price data collected and Rio Tinto estimates for regional premiums included.

# Modelling earnings

| Earnings sensitivity | 2014 first half average price/ rate | 10% change in 2014 average | Impact on 2014 full year underlying earnings ($m) |
|---|---|---|---|
| Copper | 312c/lb | +/-31c/lb | 322 |
| Aluminium | $1,753/t | +/-$175/t | 444 |
| Gold | $1,290/oz | +/-$129/oz | 51 |
| Iron ore (62% Fe FOB) | $103/t | +/-$10/t | 1,215* |
| Coking coal (benchmark) | $132/t | +/-$13/t | 90 |
| Thermal coal (average spot) | $76/t | +/-$8/t | 121 |
| A$ | 91USc | +/-US9.1c | 515 |
| C$ | 91USc | +/-US9.1c | 251 |
| Oil | $109/bbl | +/-$10.9/bbl | 110 |

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.
* As a result of the introduction of the MRRT in Australia the upside and downside impact of a 10% change in the iron ore price is no longer necessarily the same.