

7 August 2014

Safety

Highlights

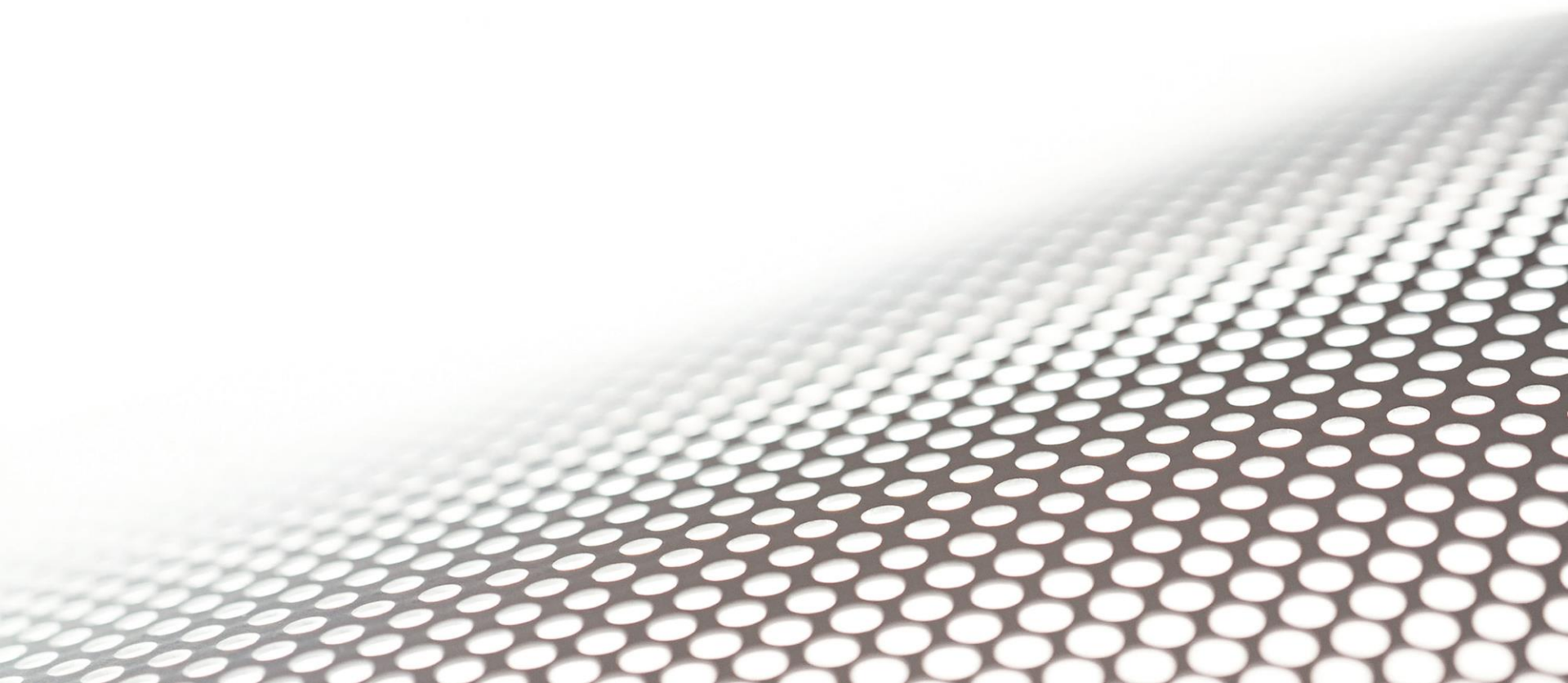
Performance

Delivery

RioTinto

2014 interim results

Delivering greater value for shareholders



Cautionary statement

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RioTinto

Sam Walsh

Chief executive



Delivering results

Underlying earnings of \$5.1 billion (+21%)

Increased cash flows from operations of \$8.7 billion

\$4.4 billion of net earnings

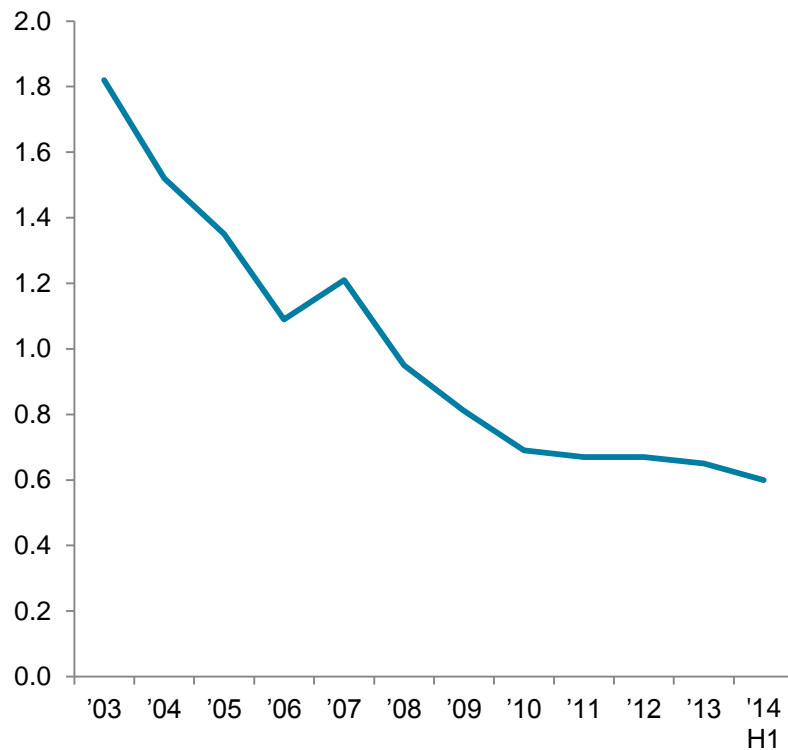
Net debt reduced by \$6 billion vs. H1 2013

Interim dividend increased by 15%

Safety is critical to operating effectively

All injury frequency rate 2003 – H1 2014

Per 200,000 hours worked



Safety assessment at Yandicoogina

Delivering greater value for shareholders

Transforming our business performance

Increased underlying earnings to

\$5.1bn

Net earnings of \$4.4bn

Net debt reduced by

\$6bn

vs. 30 June 2013

Strong cash flows from operations of

\$8.7bn

Achieved \$3.2bn cash cost improvements

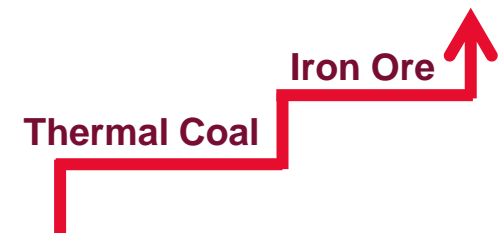
Target increased by \$1bn

Reduced capex to

\$3.6bn

in H1 2014

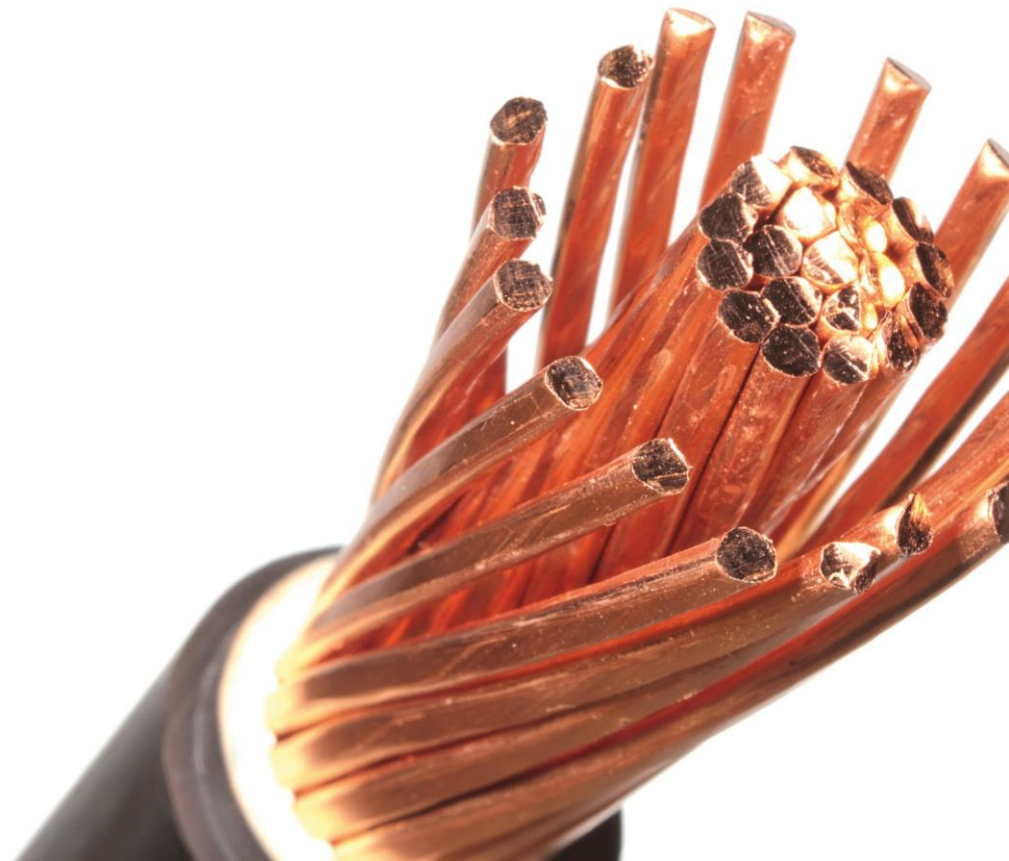
Record production



RioTinto

Chris Lynch

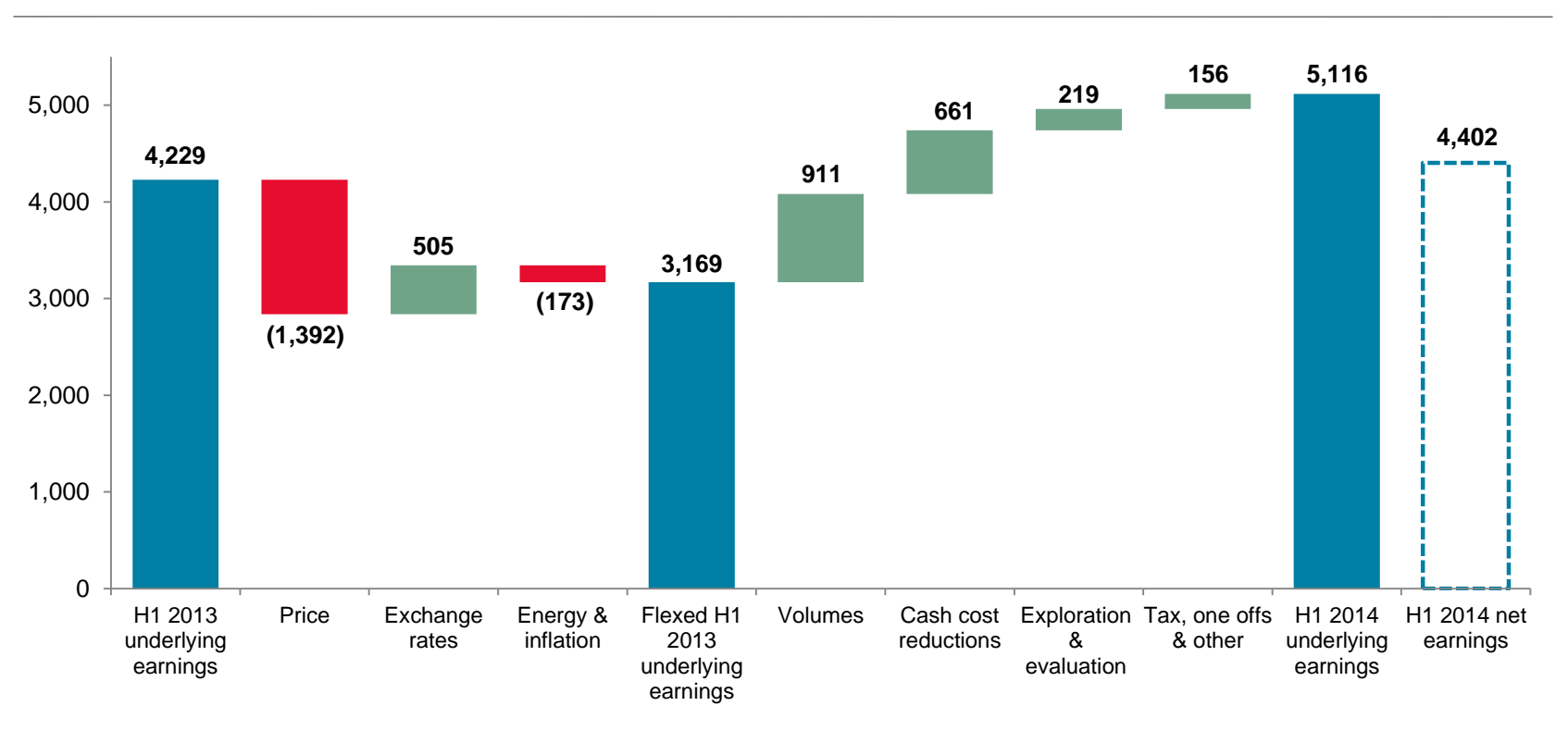
Chief financial officer



21% increase in underlying earnings as volume growth and cost improvements offset lower prices

Underlying earnings H1 2013 vs. H1 2014

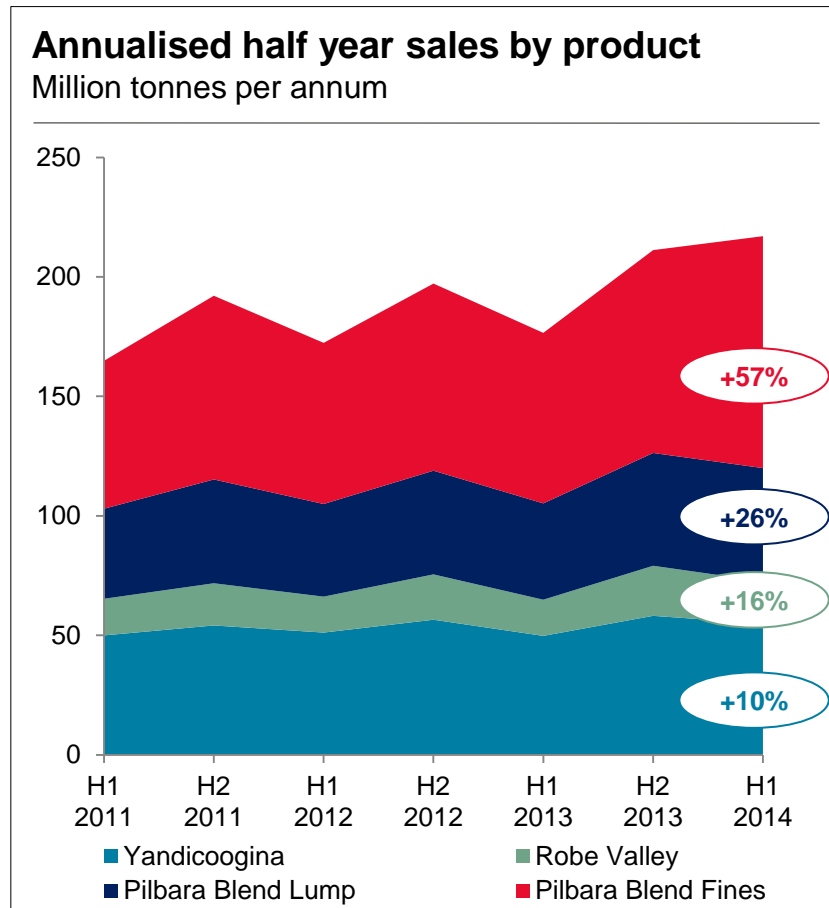
US\$ million (post tax)



Product group earnings were higher, driven by increases in Iron Ore, Copper and Aluminium

Underlying earnings (\$m)	H1 2013	H1 2014	Change	Key drivers
Iron Ore	4,273	4,683	+10%	Volume growth offsetting lower prices
Aluminium	214	373	+74%	Cost reductions and higher market and value-added premiums
Copper	348	594	+71%	Volume improvement and cost reductions
Energy	(52)	(19)	+63%	Cost reductions offsetting price weakness
Diamonds & Minerals	192	160	(17%)	Cost reductions and diamonds partly offsetting lower prices
Other ops./ other items/ exploration/ interest	(746)	(675)	+10%	
Underlying earnings	4,229	5,116	+21%	

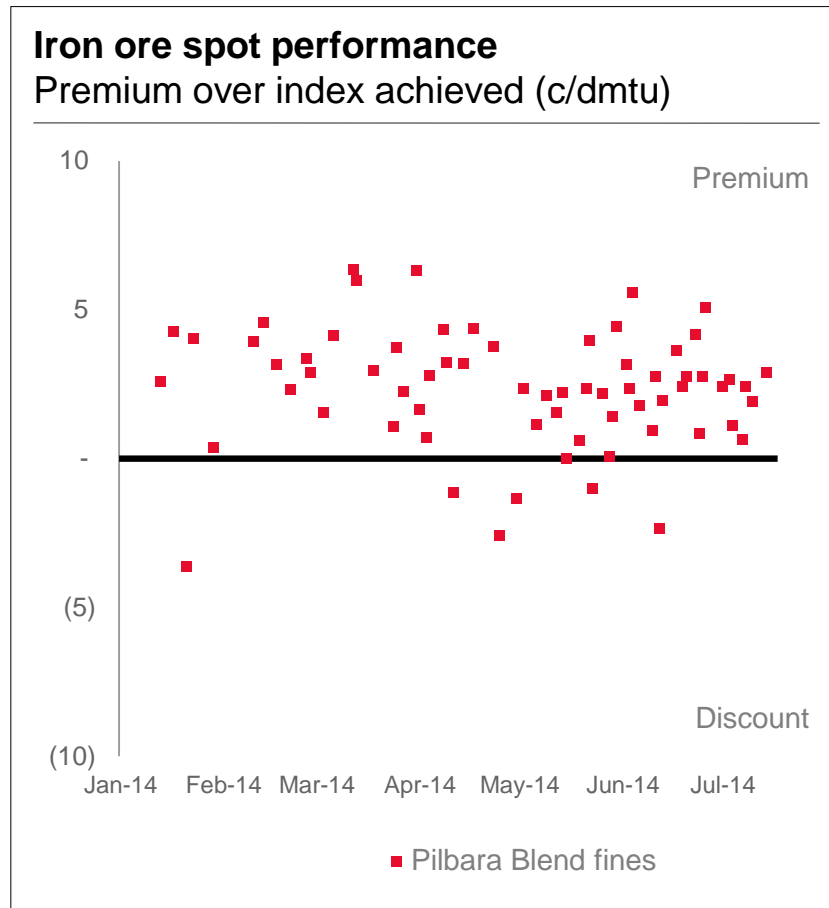
Optimising the value of our high quality iron ore growth



Source: Rio Tinto (Rio Tinto tonnes on an equity basis).
Note: percentages show increase in H1 2014 against H1 2011.

- Demand for steel remains strong in China: 3-4% increase expected in 2014
- ~125 Mt of high cost global iron ore supply expected to exit in 2014
- Marketing is a key driver in our integrated business
- Pilbara Blend products are key references for 62% Fe indices
- Pilbara Blends offer our customers reliable, long-term supply of stable product quality

Delivering significant value through marketing leadership



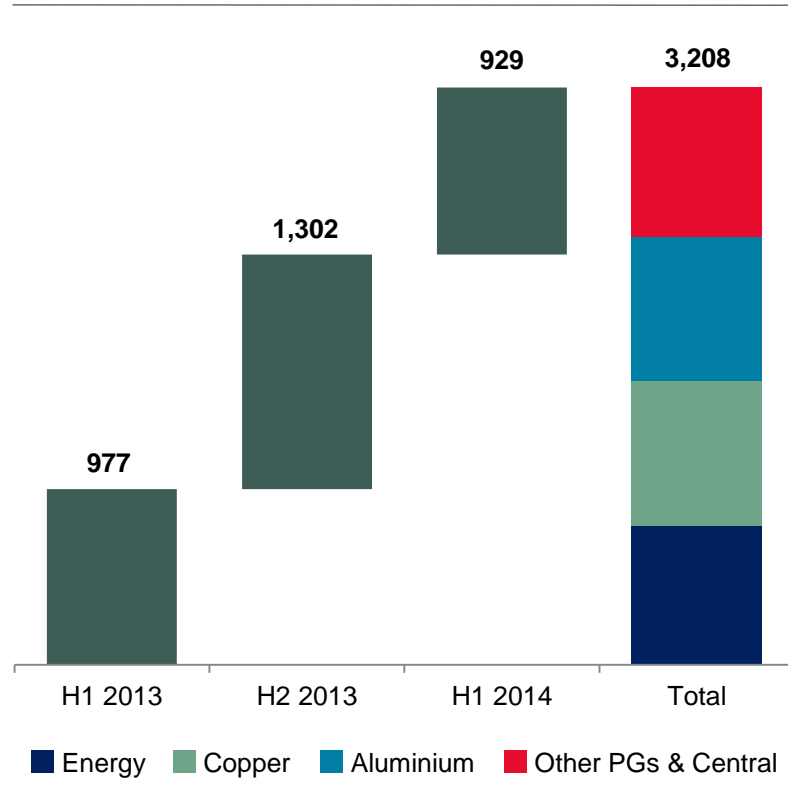
- \$99 per wet metric tonne (FOB) average realised price in H1 2014
- Pilbara Blend fines spot sales consistently achieve a premium above the Platts 62% Fe index
- Relative value of our other non-Pilbara Blend iron ore products have remained consistent

Source: Platts and Rio Tinto

Exceeded our full year operating cost reduction targets ahead of schedule

Pre tax operating cash cost variance

Reduction vs. 2012 (US\$ million)



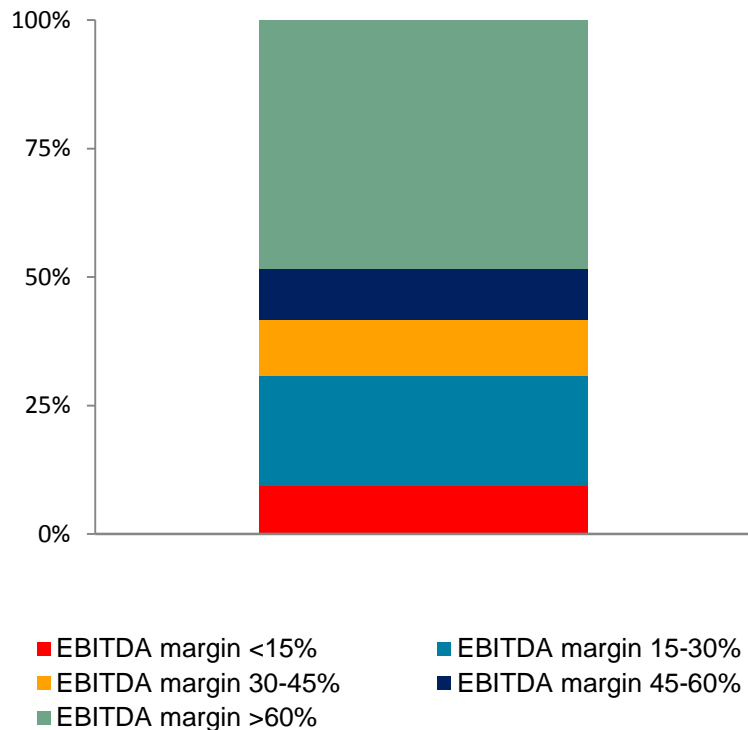
Calculated at constant foreign exchanges rates.

- \$3.2 billion of operating cash cost improvement vs. \$3 billion target
- Exceeded target six months ahead of schedule
- \$1 billion of additional cash cost savings targeted by the end of 2015
- Operational excellence is now culturally embedded
- \$1.2 billion reduction in exploration & evaluation spend compared to 2012 in addition to \$3.2 billion operating cost reductions

A leading portfolio of high quality assets

Portfolio split by asset quality

Percentage of revenue (H1 2014)

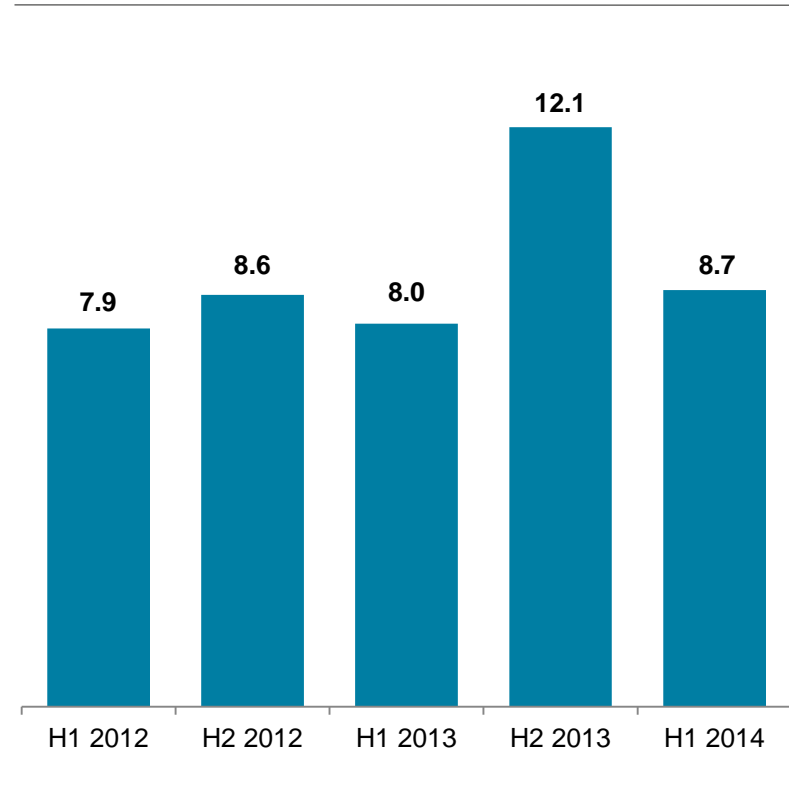


- High quality, low cost assets reduce volatility of earnings and cash flow
- Almost half of our sales generate EBITDA margins in excess of 60%
- Businesses earning lower margins are poised to benefit from price recovery
 - Low cost bauxite and aluminium smelting
 - Extensive thermal coal resources
 - Industry leading titanium dioxide

Strong cash flows from operations

Cash flows from operations

US\$ billion



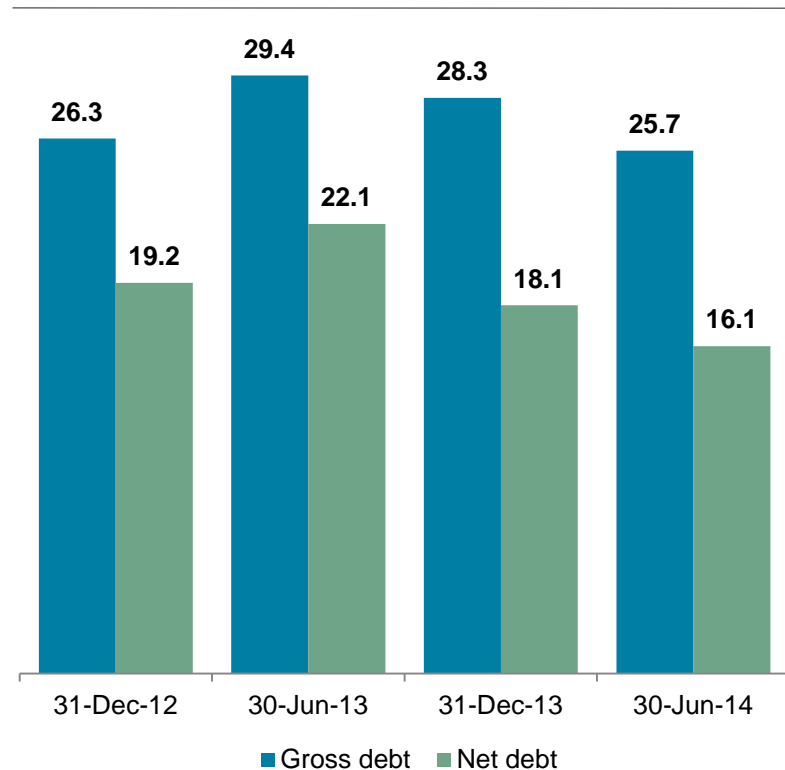
Cash flows from operations includes cash flow from consolidated operations and dividends from equity accounted units but is before deduction of interest, tax and dividends to minorities.

- 8% increase in cash flows from operations vs. H1 2013
- Cash flows from operations affected in H1 2014 by:
 - Lower dividend from Escondida
 - Increase in working capital
- Significant potential for growth
 - High quality low cost assets
 - Operational excellence
 - 8% copper equivalent growth from 2012 to 2015
- Strong and sustainable operating cash flows from core assets
- Allocating capital based on conservative price assumptions

We have strengthened our balance sheet

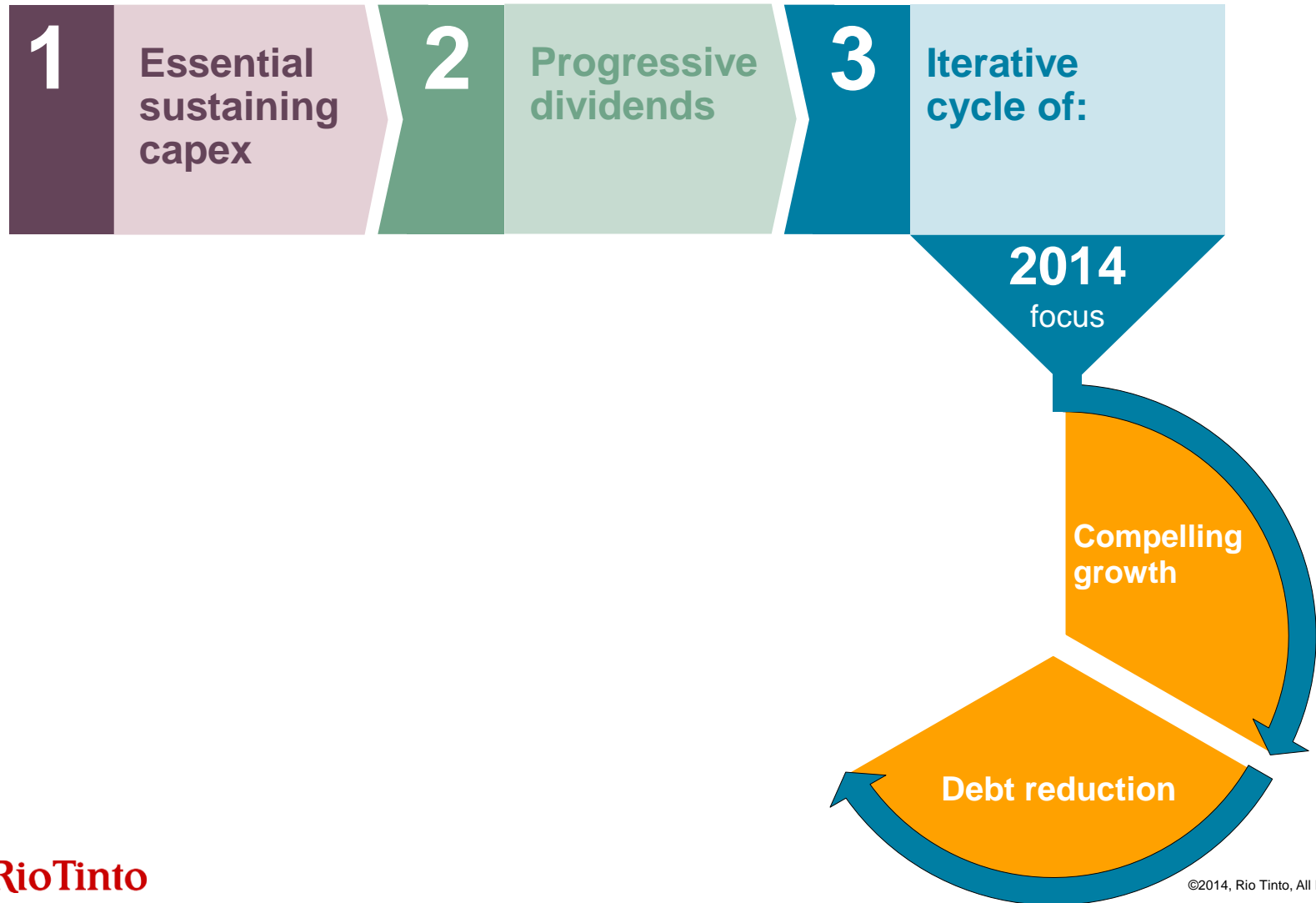
Gross and net debt profile

US\$ billion

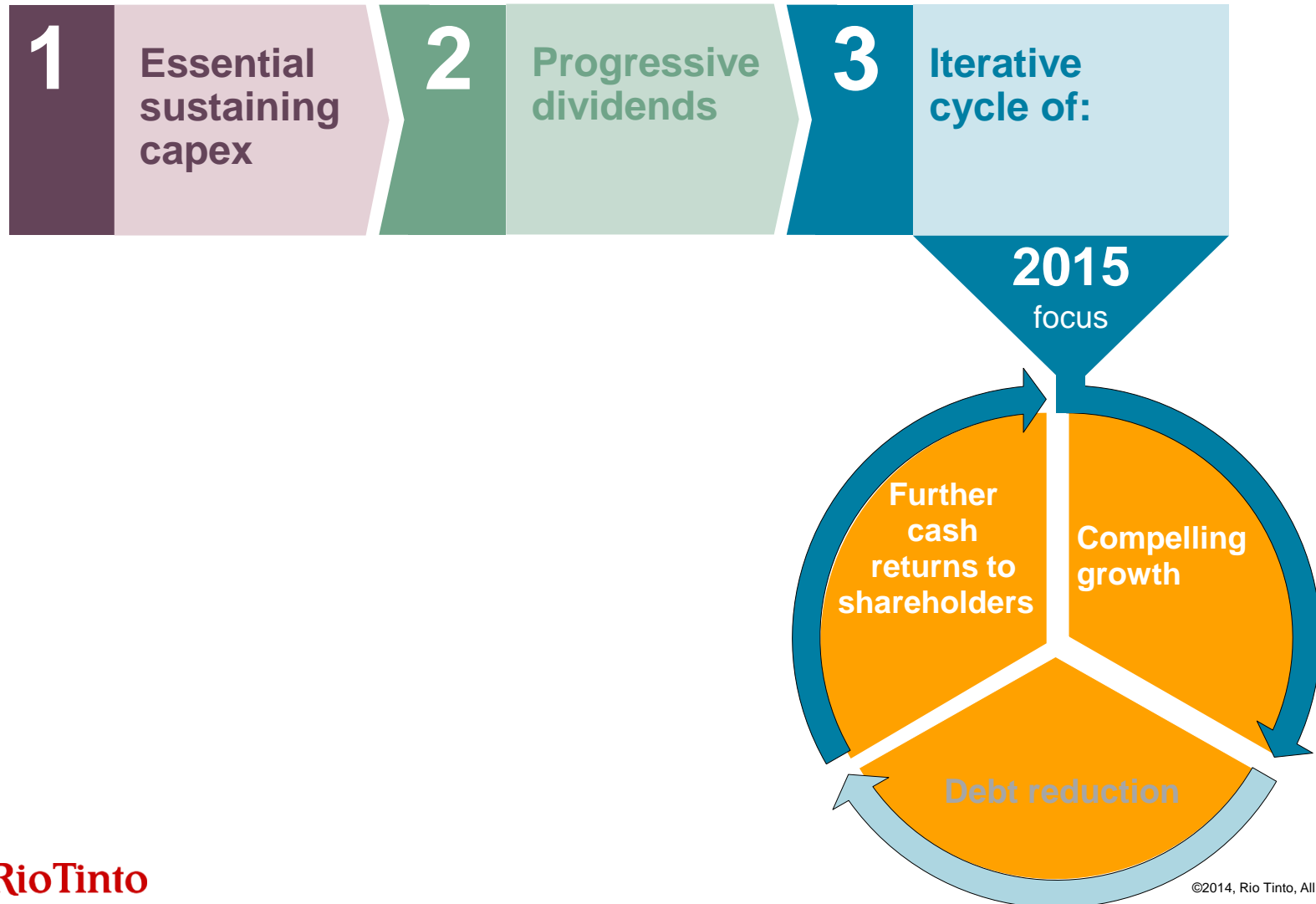


- Net debt reduced to \$16.1 billion
 - In line with ‘mid-teens’ target
- Reduced adjusted total borrowings by \$2.5 billion since 31 Dec 2013
- Robust liquidity
 - \$9.6 billion of cash at 30 June 2014
 - \$7.5 billion of undrawn, committed bank facilities
- “A- / A3” rating with “stable outlook” confirmed by S&P and Moody’s

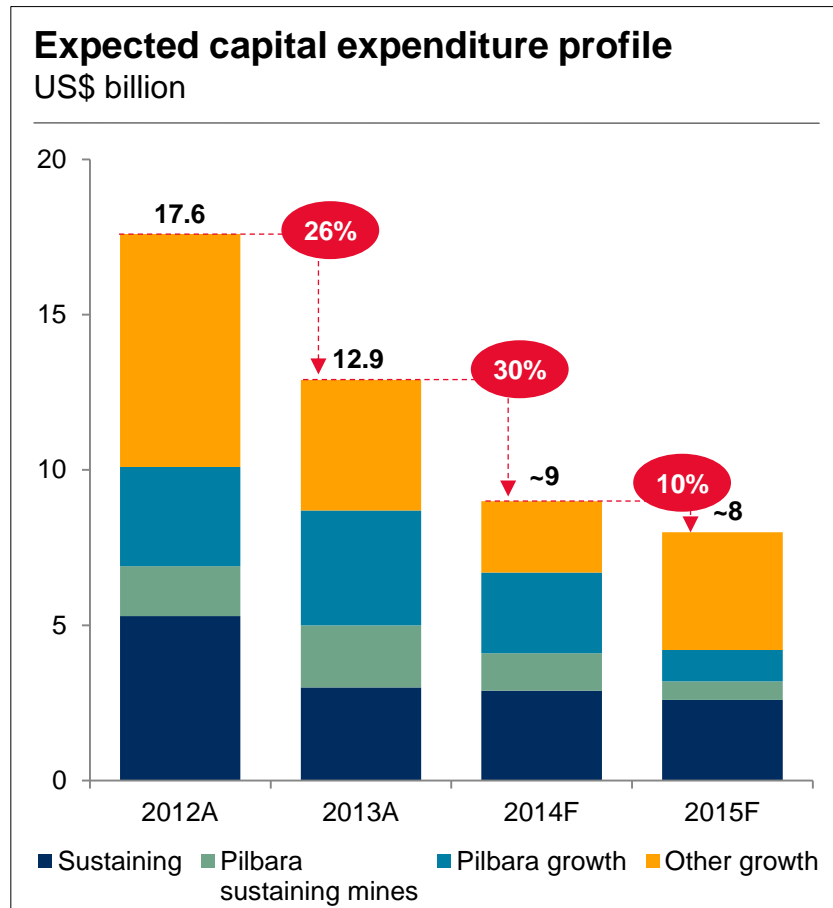
Our capital allocation framework to maximise shareholder value



Our capital allocation framework to maximise shareholder value



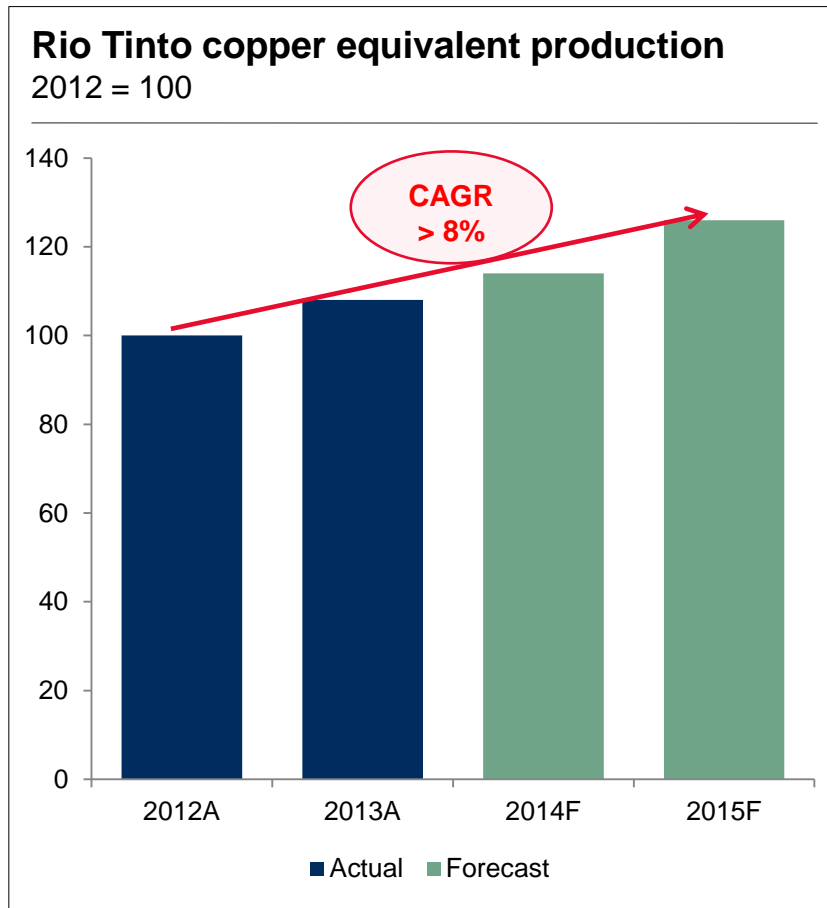
We have reduced capital expenditure



- 2014 guidance lowered by \$2 billion to around \$9 billion, 30% lower than 2013
- 2015 guidance remains ~\$8 billion
- Expect capex beyond 2015 to remain at around \$8 billion

Consolidated capex, excluding capex attributable to Equity Accounted Units. Forecast capex is subject to variation in future exchange rates.

Delivering the highest quality projects



Copper equivalent production calculated at long-term consensus price forecasts.

- Growth to 2015 includes:
 - Pilbara ramp-up towards 360 Mt/a capacity
 - Oyu Tolgoi open pit
 - Kitimat modernisation
 - Continued ramp-up of Kestrel
 - Second crusher at Argyle
- Future growth options under evaluation across all product groups
- Only highest quality projects will attract capital to deliver attractive returns to shareholders

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

Underlying earnings of \$5.1 billion

Strong cash flows from operations of \$8.7 billion

Growth across a low-cost, diversified portfolio

Capital expenditure has been reduced

Solid foundation for material increase in cash returns to shareholders

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Chief executive

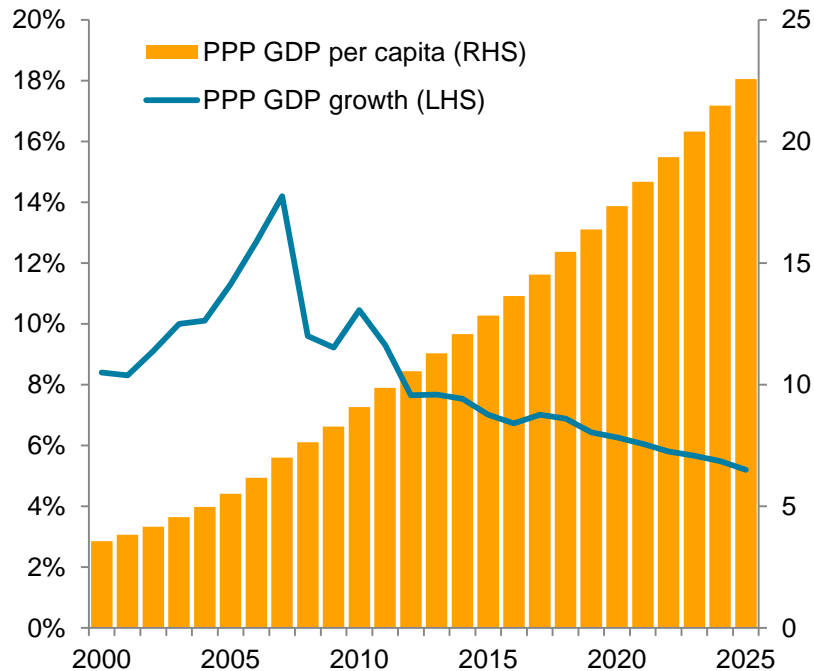


Our businesses are well placed to meet global demand growth

China GDP growth and income levels

Percentage

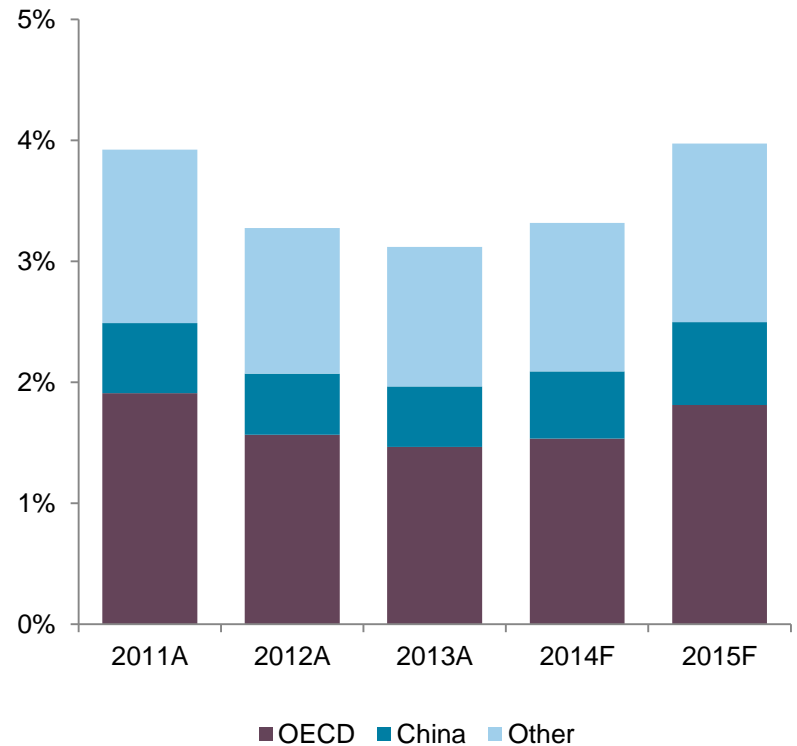
US\$('000)



Source: Global Insight

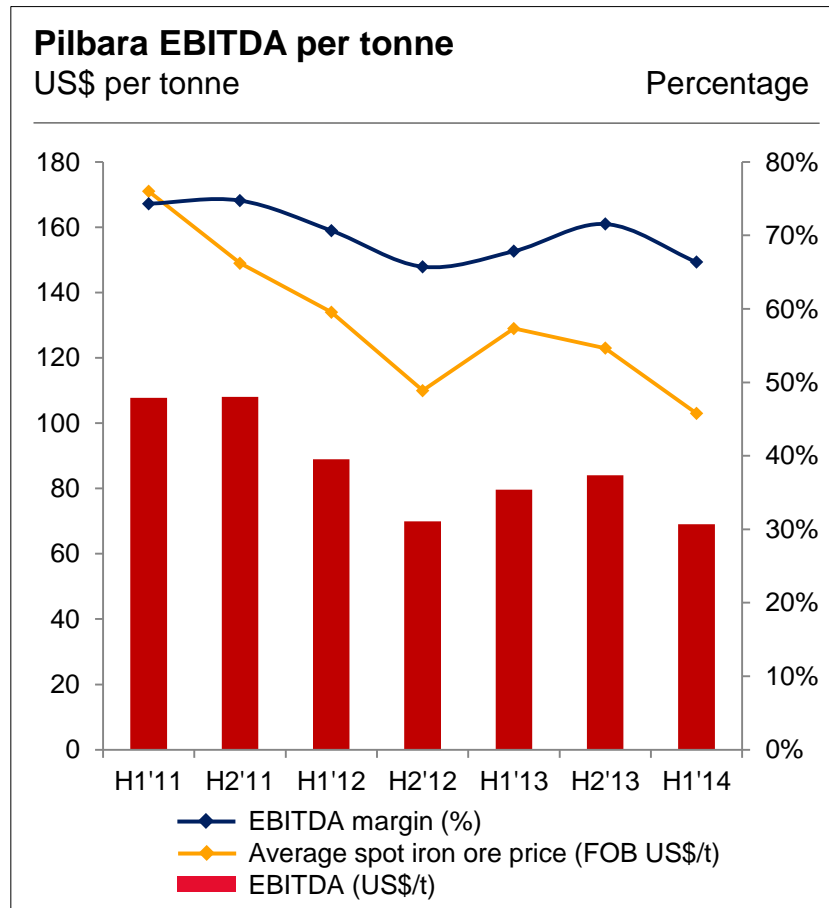
OECD recovery underway

Regional contribution to global PPP GDP growth



Source: Global Insight

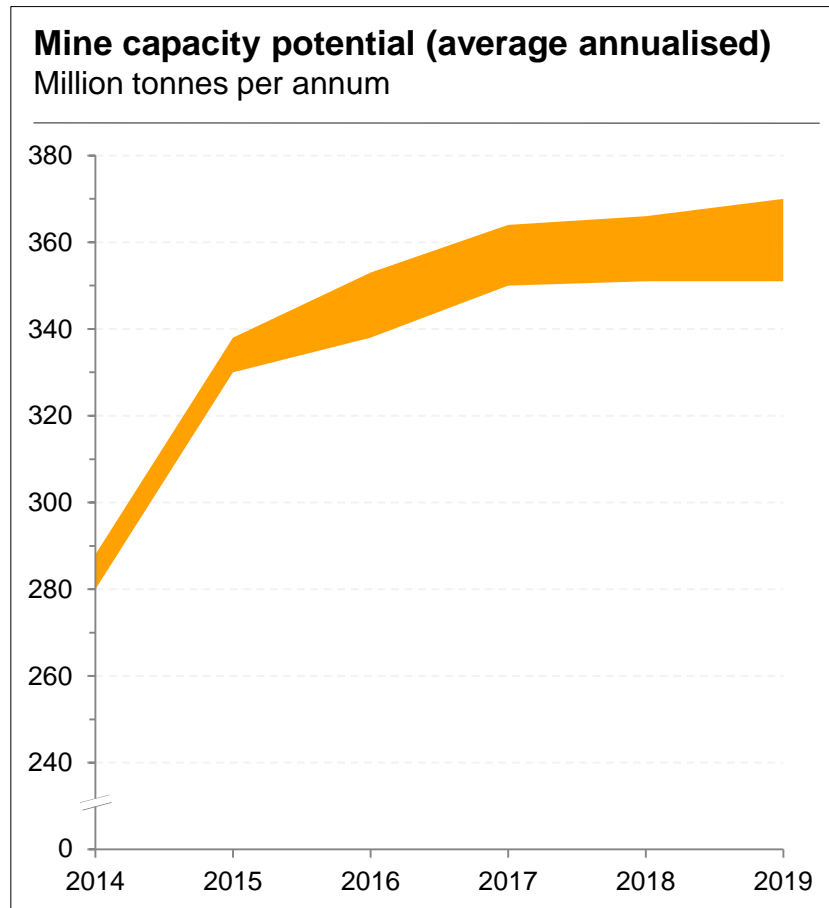
Our Pilbara iron ore business delivers industry-leading margins



Source: Rio Tinto Results as reported.

- H1 2014 cash unit cost in the Pilbara was US\$20.40/t, 11% lower than H1 2013
- H1 2014 Pilbara EBITDA margin of 66% (2013: 71%) as a result of lower iron ore prices in 2014
- Low cost advantage has been sustained over many years
- Geographic proximity to customers with unrestricted access to ports and rail

Pilbara growth: delivering exceptional returns on investment



- All in capital intensity of \$120-130/t (100% basis)
- 290 Mt/a system run rate achieved in May, two months ahead of schedule
- 360 Mt/a infrastructure on track for completion by the end of H1 2015
- Rapid, low cost pathway to increase mine production capacity by more than 60 Mt/a by 2017

Copper delivers 23% volume growth and 71% improvement in underlying earnings



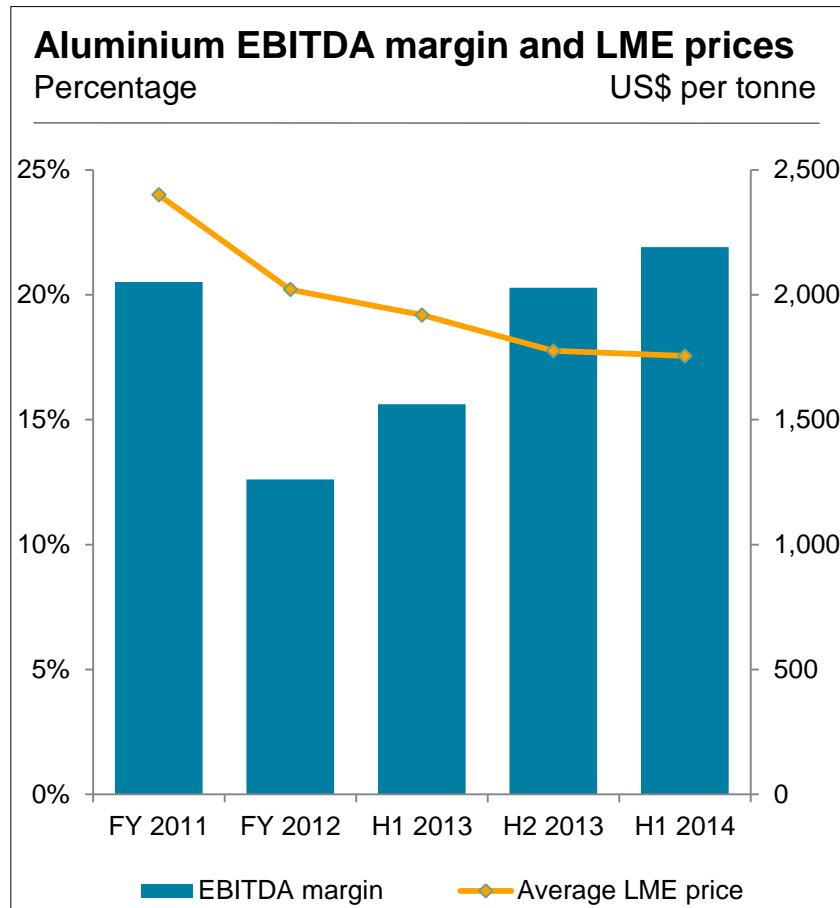
Haul trucks at Kennecott Utah Copper



Oyu Tolgoi concentrator control room

- Significant earnings improvement driven by almost \$290 million of cash cost reductions in H1 2014
- **Kennecott Utah Copper**
 - Concentrator recoveries improved following flotation circuit expansion
 - 65-day smelter shut in H2 2014
 - >45 Mt of slide material moved with further 100 Mt expected by end 2015
- **Oyu Tolgoi**
 - Acceleration in ramp-up of customer collections
 - Shipments exceeded production in the second quarter

Aluminium: earnings improved through cost reductions and productivity gains



Source: Rio Tinto and Bloomberg.

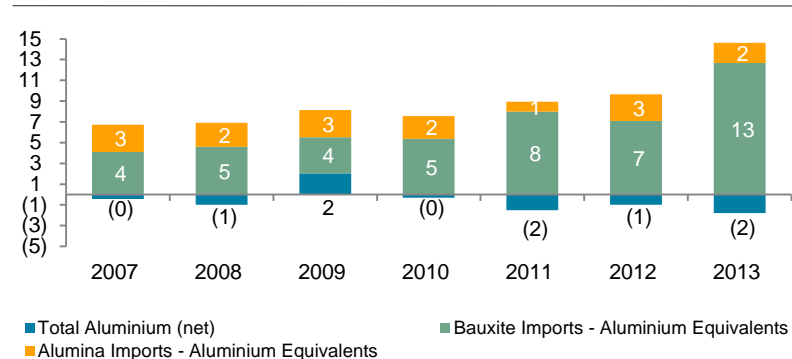
- Well positioned to take advantage of attractive outlook for bauxite and aluminium
- Record market premiums
- >60% of products benefit from both market and value-added premiums
- Underlying earnings up 74% compared to H1 2013
- Cost savings of \$802 million compared to 2012
- 79% of our smelters in the first quartile of the cost curve*

* Assumes completion of the Kitimat smelter expansion expected to complete in H1 2015.

Bauxite: unrivalled resource position offering strong growth options

China net aluminium unit imports

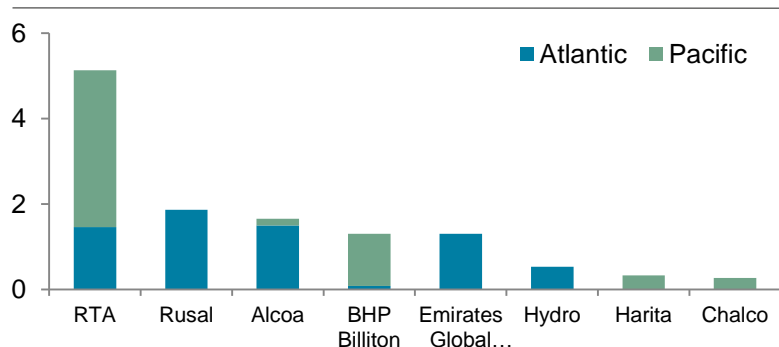
Million tonnes



Source: Global Trade Atlas, China Customs. Note: Total Aluminium (net) includes semis, scrap and primary.

2013 global bauxite resources

Billion tonnes



- Strong growth in bauxite demand from China
- Rio Tinto has the strongest bauxite position in the industry
- Interests in three of world's four largest bauxite mines
- Gove bauxite exports expected to ramp up to 8 Mt/a by end of 2015
- South of Embley provides a Tier 1 growth opportunity (22.5 Mt/a)

The Rio Tinto commitment



- To generate world-class returns
- To sustain and build on our cost and productivity improvements
- To significantly grow free cash flow
- To maintain discipline in our allocation of capital
- To deliver materially increased cash returns to shareholders

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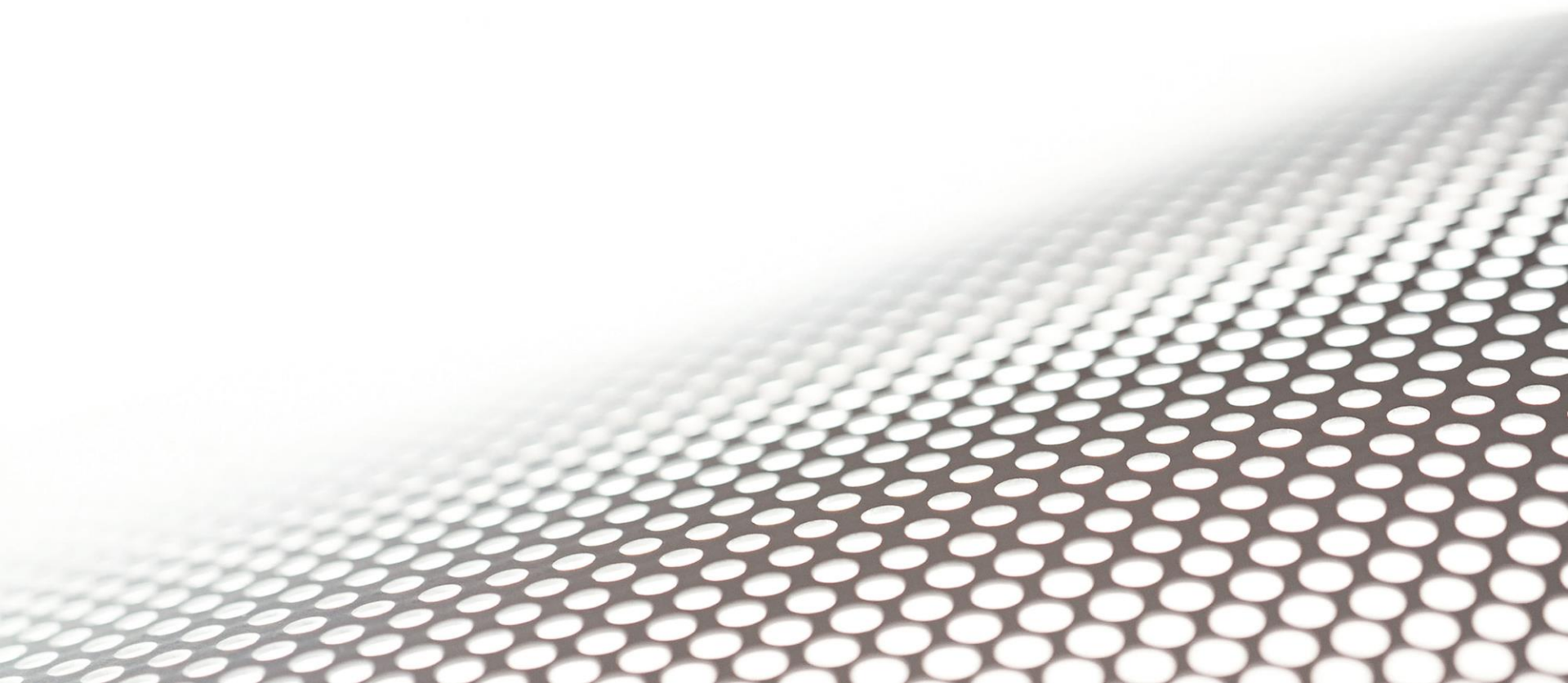
Performance

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2014 interim results

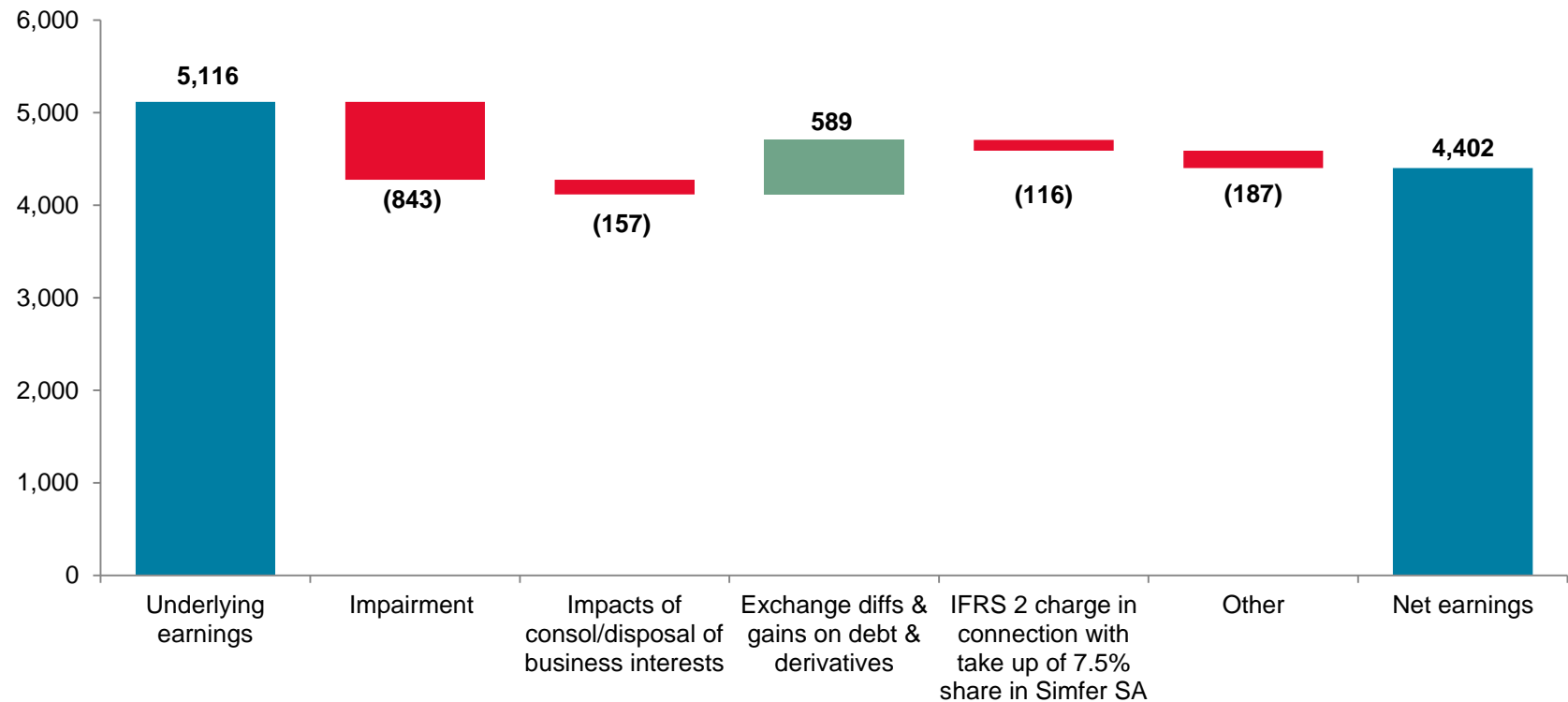
Pursuing greater value for shareholders



Reconciliation of underlying to net earnings

Underlying earnings H1 2014 to net earnings H1 2014

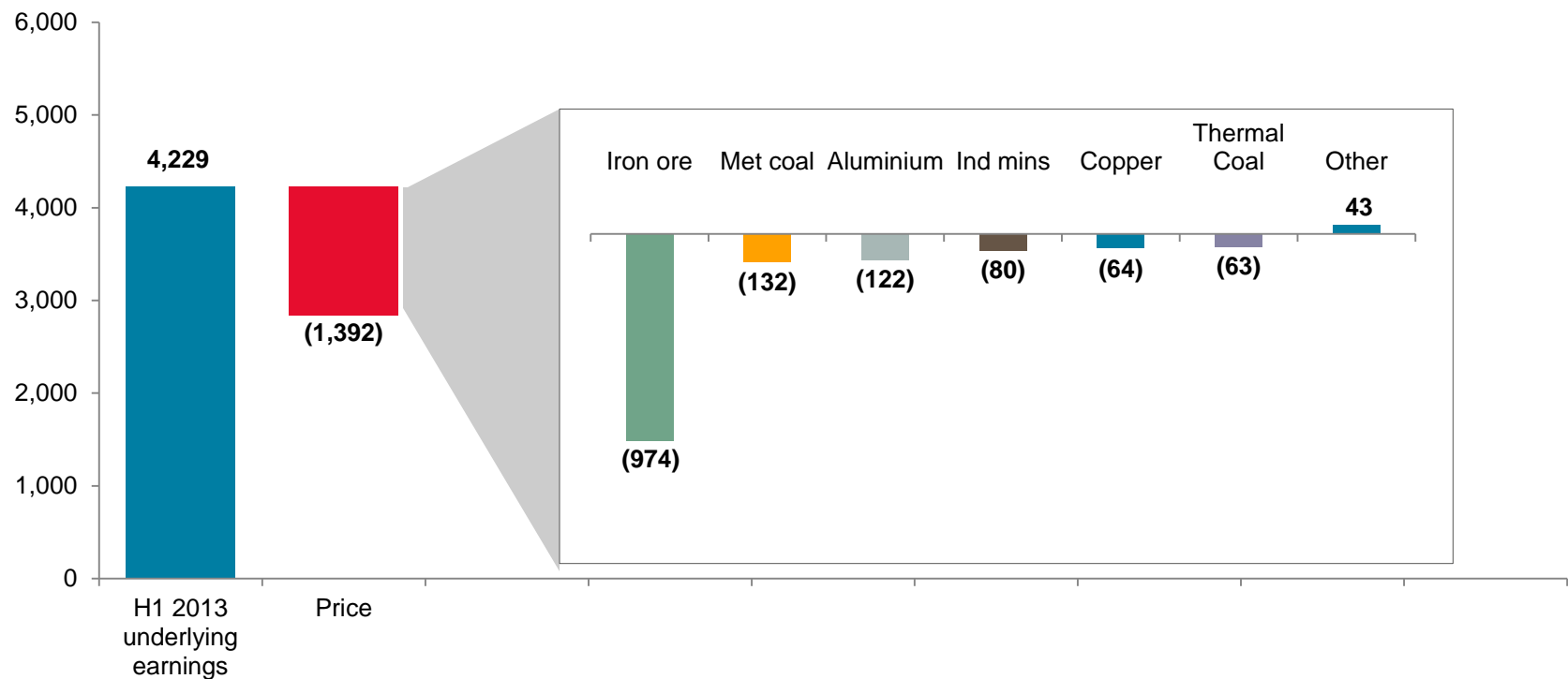
US\$ million (post tax)



Underlying earnings impacted by lower commodity prices

Underlying earnings H1 2013 vs. H1 2014

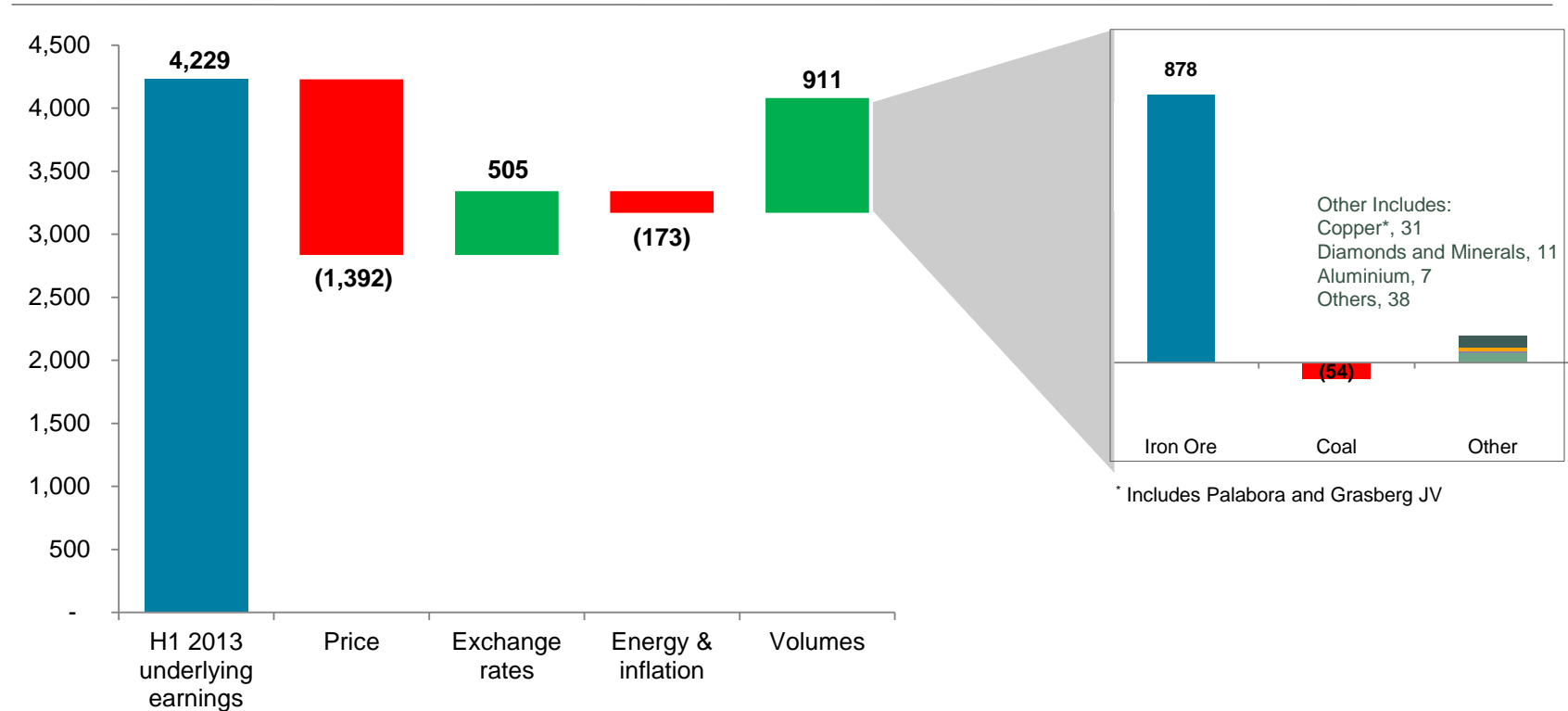
US\$ million (post tax)



Significant growth in iron ore volumes from Pilbara expansion

Underlying earnings H1 2013 vs. H1 2014

US\$ million (post tax)



Modelling earnings

Earnings sensitivity	2013 first half average price/ rate	2014 first half average price/ rate	10% change in 2014 average	Impact on 2014 full year underlying earnings (\$m)
Copper	343c/lb	312c/lb	+/-31c/lb	322
Aluminium	\$1,919/t	\$1,753/t	+/- \$175/t	444
Gold	\$1,523/oz	\$1,290/oz	+/- \$129/oz	51
Iron ore (62% Fe FOB)	\$129/t	\$103/t	+/- \$10/t	1,215*
Coking coal (benchmark)	\$169/t	\$132/t	+/- \$13/t	90
Thermal coal (average spot)	\$90/t	\$76/t	+/- \$8/t	121
A\$	102USc	91USc	+/- US9.1c	515
C\$	99USc	91USc	+/- US9.1c	251

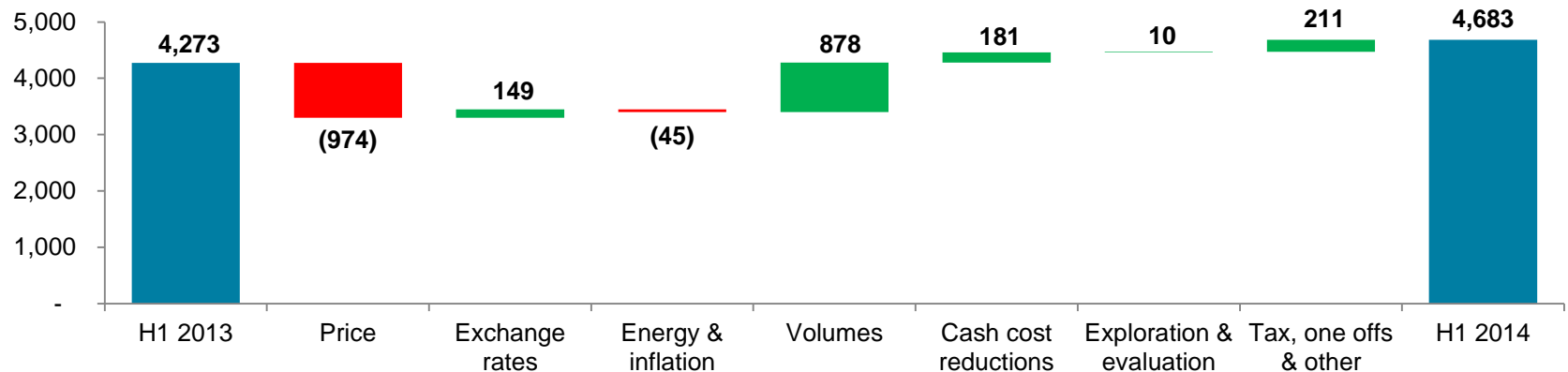
Note: The sensitivities give the estimated effect on underlying earnings assuming that each individual price or exchange rate moved in isolation. The relationship between currencies and commodity prices is a complex one and movements in exchange rates can affect movements in commodity prices and vice 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.

Iron ore: achieving record sales in H1 2014 while delivering expansions on time and budget

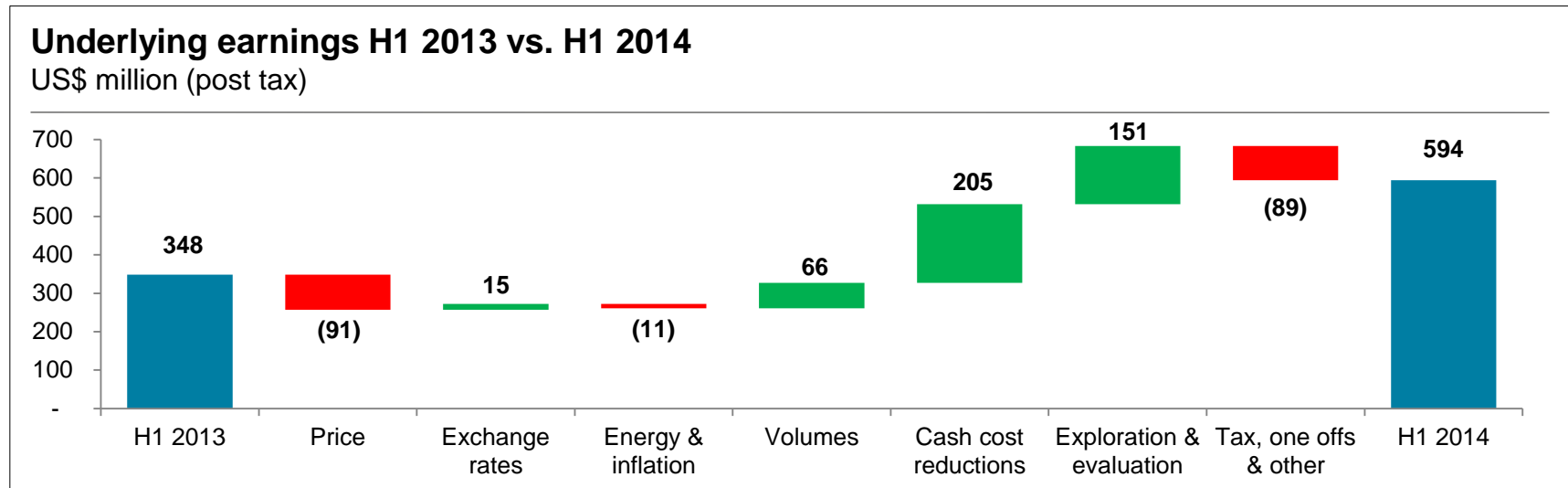
Underlying earnings H1 2013 vs. H1 2014

US\$ million (post tax)



- Record sales from the Pilbara in H1 2014 following the commencement of shipping from Cape Lambert B in August 2013 and cash cost reductions more than offset lower prices.
- Expansion of the Pilbara infrastructure to annual capacity of 360 Mt continues on time and budget for expected completion by the end of H1 2015.
- Iron Ore Company of Canada saleable production was lower than in H1 2013 due to an unusually cold winter. Sales were constrained by frozen material: as a result, pellet sales were ten per cent lower and concentrate sales were 20 per cent lower than in 2013 first half.
- Pilbara iron ore revenues include \$635 million of freight in H1 2014 (\$322 million in H1 2013).

Copper: cost focus and improved volumes more than offset lower prices

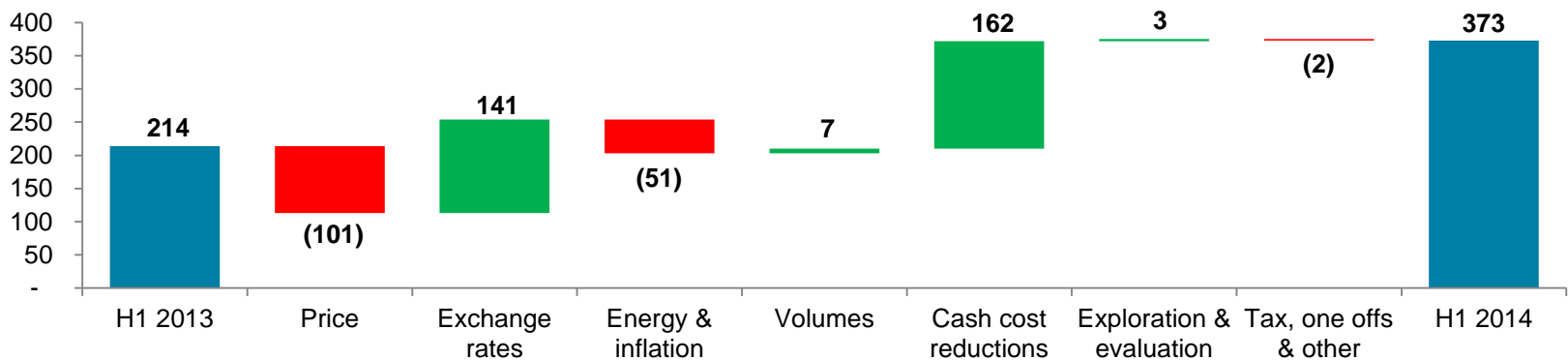


- During the half the Copper group continued to focus on three key areas: enhancing productivity across all operations, improving cost performance and simplifying the portfolio.
- Mined copper production up 23 per cent following sustained recovery in grades at Kennecott Utah Copper and the ramp-up of customer collections at Oyu Tolgoi, which more than offset the impact of divestments completed in 2013.
- Cash cost reductions achieved through fixed cost efficiencies and cost reduction initiatives more than offset lower prices during the period.
- Oyu Tolgoi shipments exceeded production in the first half, with inventories expected to return to appropriate levels by the end of 2014.
- Other items include the absence of earnings at divested operations of \$104m and \$22m loss on disposal of the Pebble project in Alaska

Aluminium:⁽¹⁾ cost improvements and exchange rates more than offset lower prices

Underlying earnings H1 2013 vs. H1 2014

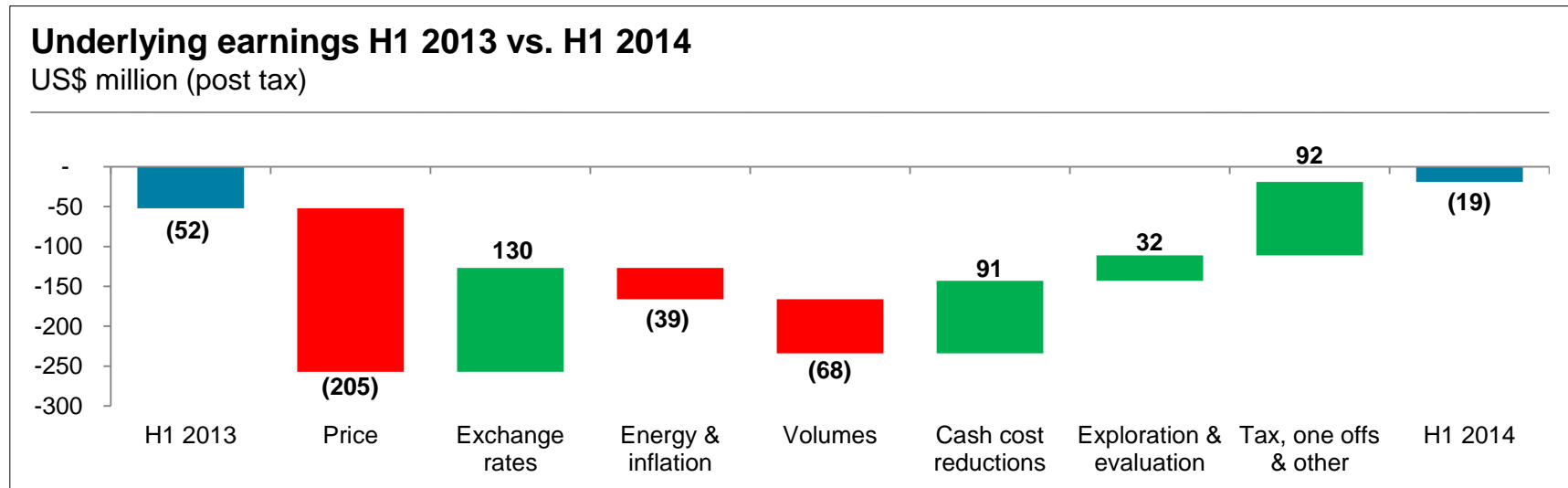
US\$ million (post tax)



- Nine per cent lower LME price period-on-period, lowering earnings by \$265 million, was more than offset by cost improvements and the impact of a weaker Canadian and Australian dollar.
- Strong market premiums supported by growing demand and tight physical markets, impacting LME inventories which have begun to decline.
- Cost savings of \$162 million across the segment in H1 2014 compared to H1 2013.
- Alumina production was up nine per cent, reflecting stronger production at Yarwun and Queensland Alumina which had both been impacted by ex-tropical cyclone Oswald in the first half of 2013.

⁽¹⁾ Excludes the Gove alumina refinery which is reported under Other operations and was moved to care and maintenance in May 2014.

Energy: lower prices and volumes partly offset by exchange rates and cost saving initiatives

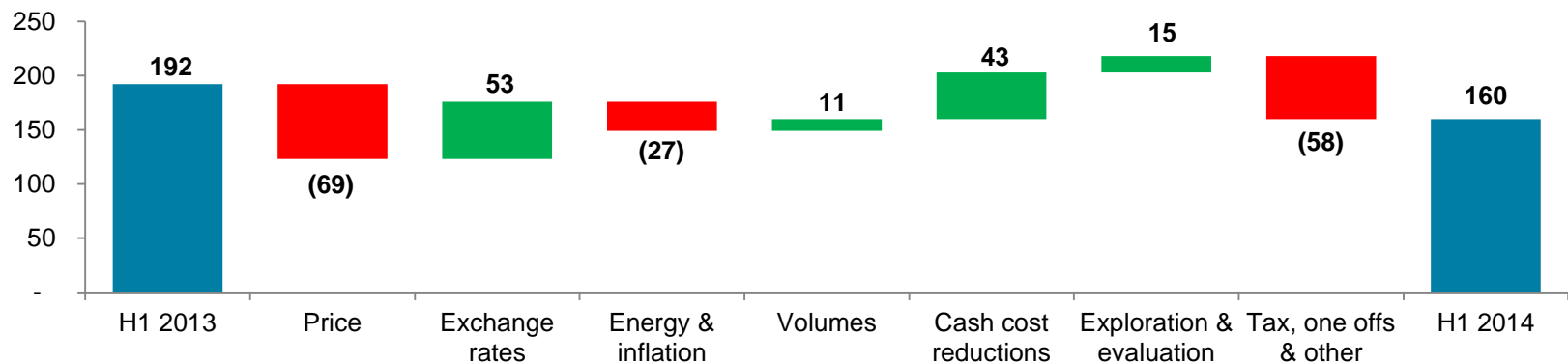


- The Energy group continued its focus on cost and productivity improvements and benefited from weaker currencies but this was partially offset by significantly lower prices and a reduced contribution from ERA.
- At the end of H1 2014, thermal coal prices had declined to the lowest level since October 2009 and uranium spot prices were at levels not experienced since June 2005.
- Production of hard coking coal was nine per cent and thermal coal five per cent higher offset by lower semi-soft production being 16 per cent lower than H1 2013.
- The record increase in Australian thermal coal production was driven by productivity improvements in the Hunter Valley and additional volumes from a processing plant by-product stream at Hail Creek.
- Uranium production declined 77 per cent on the same period of 2013 with both ERA and Rössing experiencing leach tank failures in December 2013, and a maintenance shut in the second quarter at Rössing.

Diamonds & Minerals: cost reductions partially offset lower prices and higher taxes

Underlying earnings H1 2013 vs. H1 2014

US\$ million (post tax)



- Underlying earnings 17 per cent lower than H1 2013 reflecting lower prices for zircon, titanium dioxide feedstocks, borates and metallics and tax settlements relating to prior years. This was partly offset by diamond prices, which moved up by eight per cent across the industry.
- Titanium dioxide feedstock production was 14 per cent lower, reflecting soft market demand.
- Borates production was four per cent higher in response sales demand and in preparation for commissioning of the new modified direct dissolving of kernite (MDDK) process plant.
- Investment Framework signed and ratified by the Government of Guinea for Simandou, blocks 3 and 4.
- The Argyle underground mine remains on track to reach full capacity in 2015 with the second crusher being commissioned in July this year.
- The Zulti South feasibility study for Richards Bay Minerals is expected to be completed by the end of 2014.

Provisional pricing

	Open shipments (million lbs)		Provisional pricing effect (US\$m)	
	30 June 2014	31 Dec 2013	H1 2014	H1 2013
Escondida	215	240	(18)	(66)
Oyu Tolgoi	48	14	(3)	(0)
Grasberg JV/Other	3	0	(1)	(5)
	266	254	(22)	(71)

Other movements in underlying earnings

Underlying earnings impact

US\$ million	H1 2013	FX/ price	Volumes	CPI	Energy	Cash Costs	Epl'n Eval'n	Epl'n Eval'n disp	Non Cash	Interest, tax & other	H1 2014
Intersegment	(4)	–	–	–	–	4	–	–	–	–	–
Other operations	(158)	51	17	–	–	(64)	–	–	(42)	14	(182)
Central exploration (net)	(75)	4	–	–	–	–	8	(6)	–	–	(69)
Interest	(128)	–	–	–	–	–	–	–	–	(17)	(145)
Other	(381)	10	–	–	–	39	–	–	(27)	80	(279)

- Other operations comprises mainly Other Aluminium⁽¹⁾, as Pacific Aluminium has been reintegrated into Rio Tinto Alcan. The H1 2013 numbers have been restated to reflect this change.
- The increase in other operations' cash costs represents Rio Tinto Marine earnings attributed to operating business units.
- Non-cash costs at other operations include increased closure provisions predominantly at legacy sites.
- Other includes cash cost savings at central functions, non-cash cost increases due to impairments at Technology & Innovation, and lower other costs including a DTA write-off due to changes in Canadian tax rules, carbon permit sales by Rio Tinto Alcan, reduced pension fund financing costs due to reduced pension deficit, and lower insurance due to a favourable net claims position.

⁽¹⁾ Other Aluminium included the Seabee smelter and other non-operating aluminium entities in 2013, all of which were disposed of or closed in 2013. It now includes only the Gove refinery, which has been curtailed.

Earnings reconciliations

	2014
Energy Resources of Australia	US\$m
Earnings per ERA press release (A\$127m)	(116)
Tax and unwinding of discount	3
Less: Minority interests (31.6%)	37
Other	(2)
Underlying earnings as reported by Rio Tinto	(78)

RioTinto

2014 Half year results
Cost saving case studies



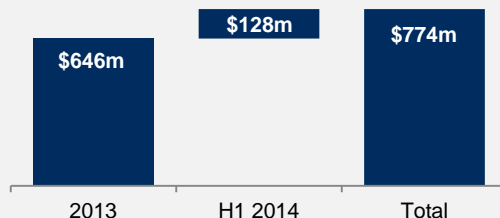


Emerging market suppliers

> **Rio Tinto Coal Australia (RTCA)** started a programme sourcing operating items from emerging markets in **2013**

> Savings to date: **US\$43m**

Energy product group – Total cost savings



Improvements since this time last year

RTCA has built on Rio Tinto's experience in sourcing capital items for emerging markets and expanded this to include **high volume operating items** as well as **strategic products and services**.



In addition to reduced costs, benefits include **improved security of supply**, **greater competitive pressure** on existing suppliers, **diversification of supply base** and **productivity improvements** through standardisation.



Strong collaboration across **Rio Tinto** to drive next phase of this programme and **expand benefits across the Rio Tinto Group**.

Implementation approach



Long term commitment to source from suppliers in emerging markets to **drive savings and security of supply**, while demonstrating **immediate savings**.



Focus on **quality assurance** and **risk management**. Share learnings with other Rio Tinto businesses to **maximise emerging markets opportunities**.

From this time last year we have now achieved

\$5.5 million

saved on underground roof supports sourced from China

- > Average 60% decrease in price compared to previous supplier
- > Tailored specification (fit for purpose), more efficient installation

\$2 million

saved on hydraulic cylinders sourced from Indonesia

- > Average 40% decrease in price

\$2 million

saved on digitally cataloguing 30 years of ore body data to optimise mining effectiveness

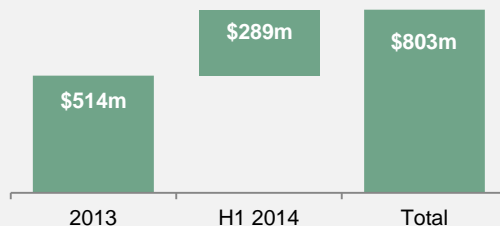
- > Sourced from India
- > More than 30% saving and rapid turnaround
- > Large resource pool were able to deliver this project in a tight timeframe

Cu
Copper

Rio Tinto Kennecott smelter value programme

- > Set a goal of reducing the unit cost of copper production per tonne smelted by 2018
- > Savings to date: \$34m

Copper product group – Total cost savings



Improvements since this time last year



Reduced operating costs by 12% in 2013 (\$24m) and by \$10m in first half 2014 (compared to 2012).



Over a 1/3 reduction in production costs per tonne smelted in the last two years.



Record productivity and quality at the smelter (tonnes per employee) in first half 2014.

Implementation approach



Fostering and maintaining a burning platform for change and a business mind-set amongst our employees – 'protect the present but earn our future'.



Leadership in the field - daily coaching and mentoring of frontline leaders, setting clear expectations with our workforce, and then following up on these.

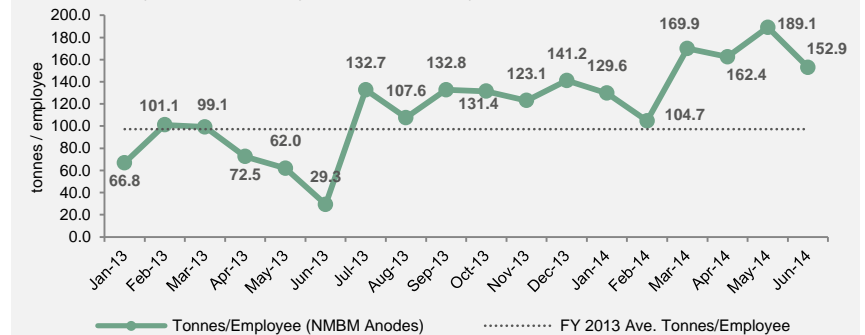


Rapid acceleration of LEAN – focus on quality, quantity and time; Mandate employees to accelerate change, and sustain behaviours around execution of standardised work.

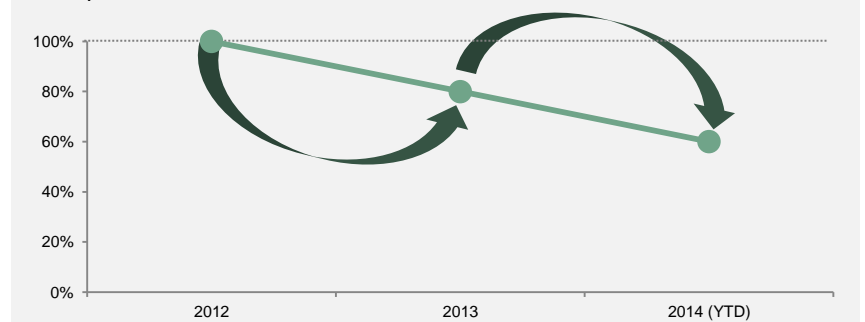


Any cost savings are real.

Productivity Ratios (hourly smelter employees)



Cost per tonne smelted

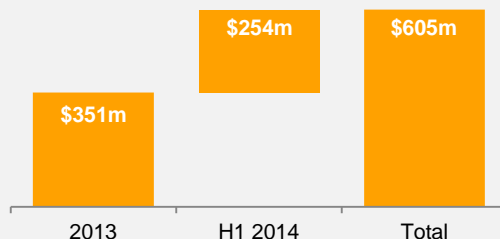


Fe
Iron Ore

Training transformation

- > Set out to shift our training to engage people in a more efficient way
- > Savings to date: **\$8m since first half 2013**, a 16% reduction per head

Iron Ore product group – Total cost savings



Improvements since this time last year



~ **255,000 hrs / year** released as productive time, no longer spent in training or assessment activities



7% reduction in actual Training FTEs



9% improvement in training team service ratio (efficiency)

Implementation approach



Streamlining Systems and Processes

Streamline the work through standardised training systems, processes and organisation.



Training Smarter

Develop fit for purpose training aligned to the requirements of the role and the individual.



Assessing Better

Design a less complex and more effective system of assessment.

For our people this means...



20-30 hours

saved per year for a heavy equipment operator



~ 25 hours

saved per year for a mobile equipment maintainer

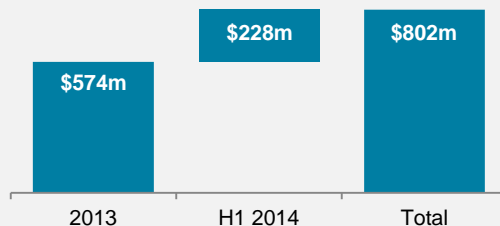
...with a focus on building proficiency rather than compliance



Productivity and cost reductions

- > Set out to **improve productivity** while **reducing worked hours**
- > Savings to date: **\$9m**

Aluminium product group – Total cost savings



Improvements since last year

Alma increased its **productivity** by implementing a **reorganisation of work** supported by the lean philosophy.

Standardising tasks across the plant allowed the Alma smelter to:



Improve work quality, efficiency and operational stability



Increase productivity by optimising worked hours



Reduce workforce

Implementation approach

The challenge was ensuring that the new standardised tasks were accepted and followed after their implementation and increases to productivity did not compromise on safety.

Key success factors:

- > Renewal of the labour agreement provided flexibility
- > Alma Works focused on a proactive strategy to implement reorganization of work
- > Standardisation of workforce planning

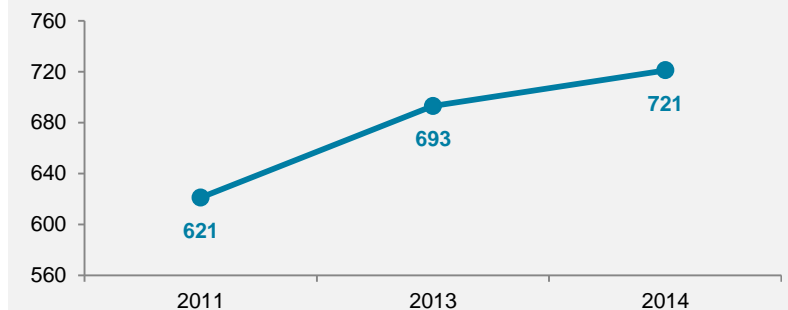
Results

The Alma smelter increased its productivity by

16% from 2011 to 2014

(621 tonnes per employee to 721 tonnes per employee)

Tonnes (electrolysis) per employee



Ti

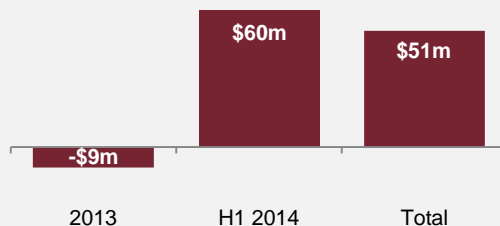
Diamonds
& Minerals

Argyle Diamonds power project

> Set out to reduce onsite demand for generator power through energy efficient projects and utilising power station capacity

> Savings to date: **\$6.2m**

Diamonds & Minerals product group – Total cost savings



Improvements since this time last year



15% increase in Argyle's use of power network capacity.



Reduction of greenhouse gas emissions by **23,300** tCO₂ – e per year



A significant reduction in diesel use and a nomination for a **Golden Gecko Award in 2014.**

Implementation approach



The team set out to more **efficiently** access available grid power **to reduce reliance on diesel generators** onsite.



Optimisation of the onsite 30 MW power station.



Working with our power providers to design and implement a new control mode called **import/export control.**

Achievements since last year



Argyle can now vary the loading of the onsite generators to **maximise the use of grid power**, resulting in reduced Mega Watts per hour being required from the onsite diesel generators.



To put this into perspective this additional power accessed has enough power to **illuminate 200,000 40W light bulbs!**



2013 Q4 Winner
Operational Excellence Values



Marketing

Processing plant by-product sales

> **1 million** tonnes (Rio Tinto share **821,000** tonnes) of thermal coal produced from by-products to 30 June 2014 since the start of the trial

In recent years, coking coal prices have decreased and the thermal coal market has evolved – these changes created a marketing opportunity for the Hail Creek mine. Traditionally a coking coal operation, the mine has created a range of new thermal coal products from by-product that was previously stockpiled, delivering a higher yield on material mined and bolstering both production and sales.



In September 2013

investigation commenced for a trial thermal coal product



The trial was successful

with minimal changes required in our current coal washing process



First production

was reported in Q3 2013

This project:



Takes advantage of the lower sulphur content of the Hail Creek resource which is a marketing advantage for Rio Tinto



Provides higher margins for the business due to lower costs of conversion/processing



Has contributed to the record H1 thermal coal production results