

Aluminium Investor seminar script

8 December 2015 - London

Slide 1 Front Page

Hello and thank you all for joining us this afternoon at the Rio Tinto Aluminium Seminar, following on from our iron ore seminar in September. My name is John Smelt and I am the head of Investor Relations for Rio Tinto.

Before we commence with our presentation, can I please ask you to switch your phones to silent. I need to inform you of the safety procedures in case of the event of an unlikely emergency.

Slide 2 – Cautionary Statement

I would now like to briefly outline the cautionary statements on the next few slides. Firstly, there is the general Cautionary Statement, relating to forward-looking statements and a general disclaimer.

Slide 3 – Mineral Resources and Ore Reserves

This slide contains the required accompanying information for statements of Resources, Reserves and Production Targets

I would now like to introduce Alf Barrios, Chief Executive of Aluminium, who has organised this seminar on Rio Tinto's Aluminium group operations.

Slide 4 Introduction

Welcome and thank you for coming.

Many of you may have seen me present at last year's seminar. But for those of you I've not met, I'm Alf Barrios, chief executive of Rio Tinto's Aluminium product group. I've now been in the job for 18 months and I'd like to share with you some of the progress my team and I have made over that period.

With me today are Vivek, our Chief Economist, Greg, head of Technology & Innovation and Gervais, head of sales & marketing for Aluminium.

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It's clearly a very difficult time for the industry with LME prices as low as they were during the global financial crisis and physical delivery premia having retreated from levels seen in the first half of this year.

However, it's in these difficult times that Rio Tinto shows its competitive advantage, built around tier one, low-cost, long-life, expandable assets; and that's equally true in Aluminium. Last year, I stated that the goal of Rio Tinto's Aluminium was to deliver leading performance through the cycle. A goal which is even more relevant in the current market environment and one that we are already achieving.

There is considerable value in our Aluminium business that we are delivering each and every day. With disciplined management we will continue to provide leading returns for our shareholders through the market cycles.

Our strategy is underpinned by two core pillars: our industry-leading bauxite business, and our first quartile smelting assets.

The approval of the Amrun bauxite project allows us to capture an exceptional investment opportunity, generating strong financial returns. It is one of the highest quality mining projects in the world - close to growth markets and with optionality to expand.

Across the whole of Rio Tinto we continue to take costs out of our business and improve productivity. Today we will show you how we will continue to deliver productivity improvements, cost reductions, disciplined capital management and remain focused on generating cash across all of our operations.

I will talk about our Aluminium strategy in execution, including how we are achieving superior performance. You will also hear from Vivek, on our views on the long-term outlook for aluminium and bauxite.

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Greg, will provide you with an overview of the project expertise his team brings to Amrun, and he will highlight some of the additional productivity improvement opportunities for the aluminium business.

Gervais will round out the presentation by sharing some insights into the short-term influences on the market, and how his team maximises the value of our products.

Now, with the introductions done, I'd like to hand over to Vivek.

Slide 5: Vivek Title Cover slide

Slide 6: Rio Tinto Economics and Markets

Thanks Alf. Good afternoon ladies and gentlemen.

My main purpose today is to provide you with some insight into trends affecting aluminium and bauxite markets.

The work of my team involves the production of regularly updated economic forecasts for different commodities.

These are used in the company's planning and investment processes.

Our analysis is based on detailed research into macroeconomic developments and on production costs, capacity trends and consumption intensity drivers for the commodities we produce.

We draw on information from a large array of internal and external sources.

In particular, our marketing teams based around the world provide valuable real-time insight into the production and use of the various commodities in which we trade.

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Slide 7: Aluminium value chain

Before I launch into a discussion about future trends, I think it's worthwhile to provide some context on the traded bauxite market into China which is relatively new and obviously relevant to the recent approval of Amrun.

It takes between 4 and 6 tonnes of bauxite to make a single tonne of aluminium.

Therefore, today's total primary metal production of around 57 million tonnes requires approximately 300 million tonnes of bauxite.

Historically, the industry has been highly vertically-integrated and significant bauxite trade into China began only around a decade ago with the emergence and rapid growth of a major alumina refining industry in China's northern coastal province of Shandong.

On the back of this development, bauxite volumes sold into China grew from 2.2 million tonnes in 2005 to around 50 million tonnes expected this year.

The supply side of the bauxite market has been particularly dynamic in recent years.

We saw the export ban by Indonesia in 2014 and the subsequent emergence of Malaysia as a major supplier.

Through all this the price of traded bauxite has remained relatively firm compared with other commodities.

In 2015 prices across the metals complex have fallen by around 50 per cent compared with their 2011 average whereas the price of bauxite has risen by 55 per cent.

This year, bauxite has remained more or less flat even as the prices of aluminium and alumina have fallen by 16 and 38 per cent, respectively.

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Essentially, bauxite prices have remained resilient due to growing demand and concerns about the availability of supply, which has encouraged precautionary stock building.

Slide 8: Aluminium market gradually moving back to balance

Market settings for aluminium metal have obviously been far more challenging.

From a peak of 16 weeks of consumption in 2009, there has been a gradual fall in aluminium stocks, which today sit at 13 weeks of consumption.

This is of course still well above levels consistent with balance of around 7 to 9 weeks.

Prices have continued to cut deep into the aluminium cost curve and, as in other commodity markets, producers have responded to the challenging circumstances by curtailing production.

Since April this year, we estimate that nearly 2.5 million tonnes of Chinese capacity was cut – although this was broadly offset by expanded capacity in the North West where smelters continue to benefit from stranded energy resources and local government support.

Outside China, the industry has pulled back on investment plans and curtailed capacity – with only India and the Middle East having registered some modest growth.

Producers have also responded to weak markets by compressing costs.

This has lowered the full industry cost curve and therefore cost-based price support has also declined.

Regional premia have also fallen substantially over the year and are now closer to their long-run historical averages.

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Looking to the future, the supply side is expected to remain under pressure both inside China and outside.

At the same time, demand for primary metal is expected to grow on average by 4 per cent per annum over the next few years.

On this basis, our expectation is that stocks, measured in weeks of consumption, will continue to decline and total inventory will fall to a more balanced level over the next five years.

The pace of market improvement will be only gradual, owing to the scope for restarts of idled capacity and continuing growth in China's north west - although at a slowing pace based on our bottom-up assessments.

Later, my colleague, Gervais will share further observations about current market settings.

I will now describe our longer-term industry demand and supply projections and provide some background on key drivers.

Slide 9: Robust growth in global aluminium demand

Aluminium demand, which is the ultimate determinant of bauxite demand, is driven by a diverse set of end uses; many of which have promising growth outlooks.

Projected growth will be strongest in developing countries, driven by rising income levels.

Aluminium demand also benefits from ongoing substitution owing to light-weighting trends and favourable price relativities compared with other materials.

This process will support demand, especially in areas such as transport, consumer goods and packaging in both developing and developed regions.

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As a result we expect global semi-fabricated aluminium demand to grow on average by 3.5 to 4 per cent over the longer term. This compares with annual growth of around 6 per cent over the period 2000 to 2014.

Our demand growth projection is greater than our assumed long-run global GDP growth rate of 3 per cent, implying an increase in the overall aluminium intensity of GDP.

This contrasts with our projection of global steel demand, which shows a declining GDP intensity because steel has less exposure to the consumer market and does not benefit so much from substitution trends.

As is the case with iron ore and steel, our analysis of drivers in the aluminium value chain is also detailed and granular across all segments.

But rather than go into extensive detail on each of these I will focus on transport as a case study.

Slide 10: Transport sector is a key driver of future aluminium growth

The transport sector accounts for more than 50 per cent of expected demand growth for aluminium, with passenger motor vehicles the most important driver. Gervais will explain how important transportation is for us. First, let me provide some background.

Aluminium intensity in the transport sector is increasing as manufacturers around the world seek to make their vehicles lighter in order to comply with environmental regulations and improve fuel efficiency.

An excellent example of the light-weighting trend is the aluminium body F150 pick-up truck which was launched late last year. This is the first high-volume aluminium-bodied vehicle to go into production in the world. When the programme reaches full production in 2016, Ford will be making 850 thousand trucks per year and require 350 thousand tonnes of aluminium sheet per annum.

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However, this light-weighting trend is not a new development. In 2012, the share of body and closure components made with aluminium in North American vehicles was 1.4 per cent.

Today this has increased to 6.6 per cent and we expect a further increase to 27 per cent by 2025 at which time the average North American vehicle is expected to contain around 250 kilograms of aluminium.

Substitution in the transport sector is expected to increase North American demand by around 3 million tonnes by 2030.

This trend is also occurring in developing economies. At present, the average car in China has around 100 kilograms of aluminium, similar to the North American average during the 1990s.

But by 2030 we expect the average vehicle in China to have 180 kilograms of aluminium, similar to the current North American average.

However, the bigger driver of aluminium demand growth in this sector is the increased ownership of passenger vehicles.

China currently has about 100 passenger vehicles per 1000 people, India, has 20 and Indonesia around 70.

These penetration rates are low given international comparisons.

For example, in the US or Japan the penetration rate is around 450.

So, as incomes in developing countries grow, we project that the total production of motor vehicles will increase.

The biggest change is expected for China, where we project growth to around 370 million units over the next 15 years, translating into an ownership rate of around 250 vehicles per 1000 people.

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Slide 11: Aluminium products have shorter lifecycles and high reuse rates

I have spent some time describing drivers of demand for aluminium metal in total but what matters for our business is the demand for primary metal.

And it is important to recognise that scrap will play an increasingly important role in determining this.

In particular, the re-use rates for aluminium are typically higher than for other metals.

This is mainly because of the higher utilisation of aluminium in more regularly and easily-recycled items.

Currently, for every tonne of aluminium produced in China around 19 per cent comes from recycled material.

In the United States, this figure is closer to a more-or-less steady state of around 40 per cent.

Based on our assessment of scrap and recovery rates in different segments, we project that by 2030, every tonne of aluminium consumed in China will contain around 30 per cent scrap.

Outside China this number is projected to be close to 40 per cent.

This means that the amount of usable aluminium scrap globally is expected to double by 2030.

On this basis, we project that the demand for primary metal will grow by about one percentage point less than the global semi-fabricated growth rate - or at around 2.5 to 3 per cent per annum, on average, over the long-term.

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Slide 12: Headwinds facing China's aluminium sector

I will now turn to the supply side.

It is clear that the weakness in aluminium markets has arisen mainly due to strong production growth in China.

At the same time however, strong Chinese production growth has also contributed to the relative strength in traded bauxite markets.

Since 2008 China has increased its annual production of primary aluminium by close to 18 million tonnes.

The development of China's aluminium production bases in Xinjiang and Shandong has been supported by three key factors:

One, stranded coal supplies; two, low construction costs and three, access to cheap capital.

The more traditional production centres in central and north China have been squeezed in the middle, operating at a loss and becoming increasingly reliant on local government support.

As China progresses its development and reform process, we expect each of these drivers to moderate leading to structural headwinds for the domestic aluminium industry:

First, environmental reforms designed to improve air quality, address solid waste pollutants and climate change concerns will increasingly penalise and constrain coal-based aluminium smelting;

Second, tightening labour markets and rising wages will feed through to higher building and construction costs;

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Third, financial reforms will increase the cost of capital and reduce capital allocations toward leveraged heavy industries;

Fourth, local governments will have a reduced ability and rationale to heavily subsidise loss-making industries.

Fifth, the availability of higher quality domestic bauxite to feed domestic production is likely to become more constrained.

We don't expect these headwinds to radically transform China's aluminium industry overnight but they will contribute toward higher incentive prices for Chinese projects, consolidation and a generally more constrained supply environment over time.

Our expectation is that over the longer run, Chinese aluminium production will continue to grow but at a slower pace, approximately matching domestic primary demand growth of around 2.5 per cent per annum.

Outside China, the pipeline of projects is more limited and we expect future capacity growth to remain constrained mostly to India, the Middle East and brownfield expansions on existing hydro resources such as in Canada and Russia.

Slide 13: Demand for bauxite and alumina has grown rapidly in China

I will now discuss the demand for bauxite in China.

On the back of significant smelting capacity growth, China's demand for bauxite and alumina has grown in double digits over the past decade.

65 per cent of that growth was met by increased domestic bauxite production going primarily to refineries in Shanxi and Henan.

But, in the past five years, a substantial 10 million tonnes of alumina refining capacity has emerged in Shandong based on imported bauxite.

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Future demand for bauxite in China therefore depends on two key drivers.

First, the availability and quality of domestic bauxite for inland refineries and second, the expected growth in China's coastal alumina production.

Slide 14: China's bauxite reserve is deteriorating

The information on this slide is based on an assessment of nearly 800 deposits.

The availability of China's reserves in the northern provinces has declined from over 50 years of supply in 2009 to less than 20 years today.

A range of issues impact the availability of domestic bauxite.

For example, in Henan, many bauxite deposits are covered by coal, 200 to 300 metres deep, creating land access issues.

Other deposits have high sulphur content which affects alumina refinery productivity.

As quality declines, refining costs will increase and eventually refineries may require significant capital expenditures to upgrade throughput capacity and remain economic.

Slide 15: Majority of China's aluminium industry is far from its bauxite

reserves

This next slide shows a locational mismatch that makes it difficult for the Chinese aluminium industry to utilise its best bauxite resources.

The bulk of Chinese refining capacity remains in the north, drawing from the bauxite resources in Henan and Shanxi, which I have just described.

The location of these refineries has been determined predominantly by their proximity to the bulk of China's smelting capacity and stranded coal supplies.

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Most of China's refineries are therefore separated from China's best and largest bauxite reserves in the south.

The distance between the resources in the south and China's refineries in the north is around 2200 kilometres and the transport cost per tonne from south to north is estimated at US\$55 by train – a level that makes domestic transfer less competitive than seaborne trade.

Given this increasingly difficult outlook for domestic bauxite – and a substantial expected growth in Chinese demand for bauxite or alumina – we see scope for significant growth in bauxite exports to China.

In particular, we expect bauxite demand from coastal refineries to continue to grow substantially.

There are new projects at a very advanced stage of development and therefore very likely to be built such as the new refinery for Weiqiao in Shandong, or Chalco's planned 4 million tonne per annum greenfield refinery to be built in Hebei, a first in that province.

The incremental demand from projects at an advanced stage of development is expected to result in growth of 4 per cent per annum in China's import demand.

In addition we could see increasing import demand from existing inland refineries as known economic reserves deplete, which could increase the growth rate of China's bauxite imports up to 8 per cent per year.

Longer term, supply of bauxite or alumina into China will likely come from Atlantic producers in Guinea or Brazil, from Australian miners or Indonesia.

The cost of freight is a key impediment to Atlantic producers.

Freight costs to China from the Atlantic are more than twice Australian levels.

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Slide 16: Summary

I would like to finish with a summary of the key findings from our analysis.

First is that the world will need increasing volumes of aluminium.

We estimate growth in semi-finished aluminium demand of between 3.5 and 4 per cent per annum on average over the long term. This is primarily due to rising incomes in Asia and positive substitution trends.

After accounting for scrap, we see primary aluminium demand growing by around 2.5 to 3 per cent per year.

Second, relatively strong aluminium demand growth is expected to restore aluminium inventories to a balanced position in the next five years.

Third, China's aluminium production is expected to continue to grow at about the same rate as its demand growth, although it will face a series of structural headwinds.

Fourth, China's growing demand for bauxite and the decline in China's domestic bauxite reserve base is a promising sign for future import demand. These factors could lead to growth in China's bauxite imports of up to 8 per cent per annum.

Thank you and back to you Alf.

Slide 17: Title Slide

Slide 18 – Safety is a fundamental business priority

Safety is fundamental at Rio Tinto – and this is no exception for the aluminium group.

We are relentless in our efforts to ensure the safety of our people in the workplace.

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You can see from the chart that we are moving in the right direction for recordable injuries and we are also very focused on our goal of zero fatalities and low probability/high consequence incidents.

Slide 19: Clear focused strategy

Our aluminium strategy remains focused around the two pillars of global leadership in bauxite and our first quartile smelting assets.

In bauxite, the approval of Amrun represents an important step in the execution of our strategy. Properly managed, this major resource base can provide attractive multi-decade returns to our shareholders. The 22.8 million tonne project will partly replace the depleting East Weipa mine with lower cost production, while also delivering additional volume of around 10 million tonnes per annum into the growing seaborne market. With core infrastructure in place, and the size of the resource base, we will be able to consider further high-returning, low-cost, brownfield growth as this market develops.

In smelting we are firmly positioned in the first quartile of the cost curve. Our assets are powered by one of the lowest cost and cleanest power portfolios in the industry. However, as a result of the improvement initiatives in the last few years, and the ramp-up of Kitimat, we will move to the low end of the first quartile of the industry cost curve in the first half of next year.

Facing current market conditions, we have measures in place to ensure that all of our smelters are cash flow positive in 2016 and their performance continues to improve. In the medium term, we will continue to challenge all our smelters to get well into the first quartile of the industry curve. We will look at value accretive options for those that do not have a clear pathway to get there.

Our alumina business is an important enabler, providing a reasonably balanced position with competitive security of supply to our smelters. But every part of the business must pay its way. We have made good progress on costs at our alumina

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refineries, moving down the conversion cost curve by 37 percentile points since 2013, but more is required.

Overall, the aluminium business is supported by a single global commercial organisation that is focused on maximising value from mine to market and Gervais will talk about this in his presentation.

Our ultimate goal is to deliver leading performance through the cycle, creating sustainable value and cash returns for Rio Tinto's shareholders.

Slide 20 – Consistently increasing shareholder value

Our Aluminium business has undergone a major transformation over the last few years. I will talk more about this later. Now I want to take you through some of the highlights of what we have done in our quest to increase cash generation.

Since 2009, we have optimised our asset base by closing, curtailing or divesting 1 million tonnes of smelting capacity and 3 million tonnes of refining capacity. Just in the last year, we have sold our interests in two smelters, Alucam and Soral, and have further streamlined our business model by divesting ECL and Alesa – two ancillary businesses in our primary metal portfolio.

In bauxite, we have increased our exports by fifteen per cent in the last 2 years. This has been achieved through low-capital creep projects at Weipa and increased exports from Gove following the curtailment of the refinery in 2014.

Aggressive cost reduction is a key focus in our alumina refining business. We have made significant progress since 2013 and have shifted our position on the conversion cost curve from the fourth quartile to the second. Whilst this work delivered a positive EBITDA in the first half of the year, it is insufficient in the current pricing environment. I will describe later some of the measures that we are taking to return the refineries to profitability.

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Furthermore, in our smelting business, we are lowering our position on the cost curve from the 40th to the 11th percentile. This has been achieved through the recent divestments, the Kitimat modernisation and expansion, and through our unrelenting focus on cost reduction and performance improvements.

Slide 21: Over \$1.1 billion of cost reduction since 2013

By the end of this year, we expect to have delivered total cost reductions of around 1.1 billion dollars, of which 300 million dollars will be delivered in 2015.

We have consistently exceeded our cash reduction targets over the last 3 years with 41 per cent of the cumulative savings coming from raw materials, 40 per cent from fixed production costs and the remainder from functional support. All of these reductions exclude the benefits of foreign exchange and oil price, in line with our standard practise.

Slide 22: Disciplined on capital and cost

This slide gives you a snapshot of the reductions in our headcount, sustaining capital and working capital.

By streamlining our business through organisational restructuring and portfolio rationalisation, we have achieved around a 20 per cent headcount reduction in the last two years.

On sustaining capital, we have also been steadily reducing our spend through disciplined capital management, whilst remaining diligent about protecting the safety of our employees and integrity of our assets.

With the focus on cash flow delivery, we have sharpened our attention on working capital. In the last couple of years we have released 63 per cent of the working capital previously tied up in the business. This has been achieved by taking a holistic supply chain approach to reduce our inventories on a sustainable basis and by successfully extending payment terms with our suppliers.

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Slide 23: We continue to outperform our peers

Our EBITDA margin has consistently outperformed our industry peers since 2012. A reflection of the quality of both our assets and our people.

But we cannot rely on past performance. As I said at the outset, we're seeing multi-year lows for alumina and aluminium prices which means we must continue to drive costs out of our business and improve productivity to maximise cash flow delivery.

Slide 24: Operating and commercial excellence is embedded across the business

Therefore it's crucial that operating and commercial excellence is embedded across the business, so that we continue to drive performance to maximise value for our shareholders.

Rio Tinto has a strong track record on this front and the Aluminium group is no exception.

Since I arrived, one of my key areas of focus has been to ensure that the pressure on performance has continued. Here are some examples of notable improvements the team has delivered in the last couple of years.

We have systematically identified and removed bottlenecks at both Weipa and Gove and through low-capital investments have been able to grow Australian bauxite volumes by six per cent. Operational improvements in our Australian alumina refineries have delivered a similar volume increase.

In smelting, our creep improvements continue to beat the industry average of 0.5 per cent increase per year, with some clear outstanding performers such as Alma – where we have crept amperage to improve metal production by almost 7 per cent over the past 20 months.

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Improvements extend to supply chain management. At Gove, the upgrade of our ship loading facilities has enabled the loading of post-panamax ships. By making minor modifications to existing equipment we have delivered improvements to operator safety on top of generating savings of around 3 million dollars per year in freight.

At Weipa, a 1.2 megawatt solar power station has been installed. The facility displaces existing diesel generation and can support up to 20 per cent of Weipa township's daytime electricity demand, reducing CO₂ emissions by 1,600 tonnes per year; the equivalent to taking 600 cars off the road. This resulted in lower costs and emissions. We are currently exploring the ability to expand the facility.

Finally, we are working to maximise the value of our primary metal by becoming the first company to launch a new low-carbon aluminium product offering. Gervais will talk about this in his presentation.

Slide 25: Unlocking value in 2015 – reducing costs and capital

I would also like to highlight some specific examples of what we have been doing to reduce costs and working capital.

I am often asked where the big cost savings come from within the business. This is not a simple question to answer. Not because we can't identify them but because it's not two or three big projects – it is literally hundreds of smaller-scale initiatives.

The same is true for working capital in many respects. As you can see from these examples in the bottom half of the slide, the delivery of almost 400 million dollars reduction in working capital in 2015 involved a large number of small initiatives.

The continuous improvement and cost reductions throughout the business are clear evidence of the capacity of our assets and people to continually rise to the challenges in front of us.

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Slide 26 – \$300m of cost reductions targeted in 2016

Before I move onto the three businesses, let me just give you a snapshot of the considerable number of improvements underway across Aluminium. We have over 850 improvement initiatives across the product group. Some of these are small in nature but when you add them all up, they equal a big number. In addition to the 1.1 billion dollars delivered so far, we estimate that in 2016, we will deliver a further 300 million dollars in operating cash cost savings. I'll cover this later on in my presentation with some specific examples.

Slide 27: Leading bauxite resource and market positions

Now, switching gears - as I mentioned earlier, our strategy in bauxite is to concentrate on value-accretive, market-paced growth.

We have the largest bauxite resources and reserves in the industry, with interests in four of the world's largest mines. The size, geographic location and quality of our assets, give Rio Tinto a clear and sustainable competitive advantage. Our growth pipeline is the most attractive in the industry, with options in both the Pacific and Atlantic regions. This means that we are well-positioned to supply the growing seaborne markets in Asia and the Middle East for many decades to come.

Rio Tinto has been exporting bauxite to China since 2004. We have successfully developed a seaborne bauxite market alongside customers who have converted or built refinery capacity to use our material. As a result, we have become the largest single supplier of bauxite into China. In 2015, we will deliver over 18 million tonnes of bauxite, representing around one third of Chinese imports.

Slide 28: Growing high margin third party bauxite business

Gervais will go into more detail on our bauxite sales and marketing, but the increased demand for our bauxite has also provided high margins to the business. Our customers value our ability to offer significant volumes, with reliable delivery, consistent quality and strong technical marketing support. The proximity of our

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Australian mines to China and the high alumina content of our bauxite – particularly at Cape York and Gove – helps to underpin our competitive advantage.

Slide 29: Amrun is a Tier 1 investment

Amrun is a fantastic project. It has great market fundamentals and will be a leading first quartile bauxite mine. It has a 40 year life at low capital intensity of around \$83 per tonne, giving it a compelling project return in excess of 20 per cent. It will also deliver infrastructure that can be leveraged for future brownfield expansions.

Amrun provides replacement for our existing East Weipa mine which will be depleted in 2019 coinciding with first production. It will deliver a step change in our third party bauxite business with an additional 10 million tonnes of product and will solidify our position as the bauxite of choice in the region.

Greg will provide more information on the Amrun project shortly.

Slide 30 – 150+ bauxite improvement initiatives underway

Amrun is clearly a step change but I don't want to leave you with the impression that this is all we're doing to develop and improve our bauxite business. We have over 150 ongoing business improvement initiatives.

I'll share with you three examples that we are implementing to reduce costs, reduce capital and increase production, all to ultimately generate more cash.

The curtailment of Gove refinery provided an opportunity to increase bauxite sales into the third party market. Gove was not designed for bulk bauxite exports. A temporary export system was installed which enabled exports to increase above 7 million tonnes in 2015. We are now investing 13 million dollars to upgrade the system, creating a permanent and sustainable solution, with a payback of less than 12 months. We will reduce operating costs by 14 million dollars per annum and enable further export capacity in the future.

We are also accelerating the use of improved asset management techniques. One key change is the implementation of more sophisticated planned maintenance tasks.

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These are designed to assess the condition of older assets in our mobile equipment fleet. Based on the work done so far, the expected outcome is an average extension of the life of the loaders by around 33 per cent and haul trucks by 50 per cent. This will result in an estimated capex saving at Weipa of around 23 million dollars over the next five years.

Another example comes from Gove; here we are using advanced analytics to identify de-bottlenecking opportunities that will enable us to increase capacity by a further 38 per cent, resulting in an additional 2.7 million tonnes of production capacity by 2017. This will be based on a similar approach that has been applied at the Andoom plant in Weipa.

These examples demonstrate that we are ruthlessly pursuing all opportunities to further improve our business and deliver sustainable returns.

Slide 31: Improving our alumina conversion cost position

Our alumina business provides our world-class smelters with security of competitive supply.

A number of actions have been taken across our refining portfolio to improve their competitive position, which resulted in the alumina sector delivering a positive EBITDA in the first half of 2015. However, these improvements are insufficient to provide a positive result under current market conditions.

Following the recent fall in the alumina price, we estimate that around three quarters of the industry's refining capacity is operating at a loss. Our Gladstone refineries are also losing money which is unacceptable. We are therefore accelerating the work to aggressively drive costs out of the business and return the assets to profitability. No stone will be left unturned in addressing this challenge and I am confident this work will deliver the required result.

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Slide 32: 200+ alumina key improvement initiatives underway

There are over 200 improvement initiatives currently underway in our alumina business.

As an example, contract labour at the alumina refineries is a significant component of variable costs. We have successfully restructured the contractor agreements at our Vaudreuil refinery in Canada – generating a saving of 17 million dollars per annum. We are now implementing similar initiatives at the Yarwun refinery in Australia. This will involve retendering around 750,000 annual work hours or around 90 per cent of the total hours, allowing service providers to bid on specific packages and further optimise how they use their resources to provide the service. We are targeting a sustainable cost improvement of over 10 million dollars in 2016 in this area, which represents around a 20 per cent saving.

We are working hard to find ways of releasing working capital. As a result of a range of performance improvements, we will be able to eliminate an alumina storage shed in QAL. The improvement programs are now underway and we are scheduled to reduce our alumina inventories by around 40 per cent by the end of 2015 releasing an estimated 20 million dollars.

These are just a few examples of the initiatives that we are working on to return the alumina business to profitability.

Slide 33: Improving our smelting cost position

We have done a tremendous amount of work in improving the competitiveness of our smelting portfolio.

Our continued focus on costs and productivity, and the overall simplification of this business, has enabled us to reduce our fixed costs per tonne by 37 per cent since 2013.

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With Kitimat at full production, over three quarters of our capacity will be in the lowest quartile of the cost curve, and the objective is to get 100 per cent into this position. Where there is not a clear pathway, we will look to further reshape the portfolio.

I will not accept any of our smelters losing cash, and despite the very tough current market, I am confident that every one of our smelters will be cash positive in 2016 without relying on market recovery.

Slide 34: Kitimat ramp up on track to be a first decile smelter

With its modernisation and expansion, Kitimat will be in the first decile of the cost curve. Kitimat is ideally located to supply metal into the North American and Asian markets and is exclusively powered by our wholly-owned, hydro station which is a key sustainable competitive advantage.

The ramp-up to full capacity is going well – we currently have close to 60 per cent of pots energised and we expect to reach nameplate capacity in early 2016.

Slide 35: 500+ smelting improvement initiatives underway

I will share with you some of the initiatives we have underway in our smelting business to continue our journey to the bottom of the cost curve.

We have established the Rio Tinto Aluminium Operations Centre in Quebec. The control centre will optimise production and technical parameters across all our global aluminium smelters – much like the operations centre for the Pilbara.

We already have nearly 50 per cent of our global aluminium capacity under the control of the operations centre, and the remainder will come online in 2016. By consolidating expertise in one location, we will be able to share best practices across our smelter portfolio and continue to achieve consistent improvements in our performance.

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Another initiative is our ongoing focus on productivity challenges at each of our sites. Productivity gains have been achieved at Dunkerque which has translated into a 6 per cent increase in hot metal production in 2015. In 2016, we will complete several internal benchmarking exercises in the Saguenay smelters, expected to deliver cash cost savings of about 15 million dollars next year alone.

Slide 36: Rio Tinto's low cost power is a sustainable competitive advantage

Power is the most important cost differentiator of smelting assets. Very few companies can match our energy profile, with 80 per cent of our power mix coming from low carbon sources and 55 per cent being self-generated, low-cost, long-life hydro power. Our global power position is in the first quartile and our Canadian average is in the first decile.

To help you appreciate the scale of our hydro-power infrastructure and the water rights which support it, I would like to show you a short video.

[Video of North American hydro-power facilities]

I hope that gave you a sense of the magnitude of our power assets and the significance of our position in Canada. It is a major sustainable competitive advantage for Rio Tinto.

Slide 37: Leading performance through the cycle

To summarise, safety remains our primary focus and we will continue to drive initiatives to ensure that each and every one of our employees goes home safely at the end of each day.

With that as our baseline, we remain focused on relentlessly driving returns in our business. We will continue to aggressively pursue efficiency gains and cost reductions across all segments of our business.

Amrun is an exceptional project with attractive returns which will bolster future cash flow generation in our high margin bauxite operations.

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Our business is extremely resilient. We will be relentless in our focus on cash generation, delivering leading performance through the cycle and creating sustainable value and returns for Rio Tinto shareholders.

There will now be a break for 20 minutes. Thank you.

Slide 38 – Alf Barrios cover slide

Slide 39: World class projects and productivity at Rio Tinto

[Alf Barrios] Welcome back. They say a picture is worth a thousand words. Thus, to help illustrate the size, scale and nature of our operations on Cape York, we have a short video to help you appreciate the value that Cape York represents for Rio Tinto.

[Video of Cape York bauxite]

Today, I want to share some insights into how the Technology & Innovation team continues to deliver value to shareholders and create competitive advantage for Rio Tinto.

Slide 40: T&I delivers major projects and productivity improvements

T&I's role is to create sustainable value and competitive advantage for Rio Tinto by leading the way in two main areas. World class project delivery and world class productivity improvements.

Already this year, we have seen two examples of the team successfully delivering large-scale value-accretive growth projects.

The Pilbara 360 infrastructure and the Kitimat modernisation were both successfully completed this year. We will now turn our successful project execution team to the Amrun bauxite project.

Our second key focus area is using productivity improvements and innovations to reduce operating costs and increase the efficiency of our assets.

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For Rio Tinto, productivity means optimising the return on every dollar we invest in our business, be that through capital or operating expenditure and I will talk about the work we have been doing with aluminium on this.

Just today, we announced a further reduction in our group capital expenditure estimates for both 2015 and 2016, to \$5 billion in each year, representing a combined cash flow saving of \$1.5 billion. There has been some benefit from weaker exchange rates but we have also been able to optimise the efficiency of our spend without having to defer any projects.

Slide 41: Amrun is a Tier 1 investment

As you have seen from the video, Rio Tinto's substantial presence in the Cape York peninsula includes existing operations at East Weipa and Andoom, including Amrun and north of Weipa. Our landholding in the Peninsula provides us with significant future expansion optionality. And Amrun is the most logical next step.

The Amrun project is aligned with our strategy of investing in long-life, low-cost and expandable operations in the most attractive industry sectors.

This is a truly exceptional deposit, and, we will turn this into a world-class project, building on our existing operations in this area.

Amrun includes a new mine, processing plant, port and associated infrastructure like road, river barge facility, a tailings dam, water and power facilities.

We will be able to leverage the existing Weipa infrastructure, such as central offices and work shop facilities. Mobile mining equipment will be gradually moved from our existing East Weipa operations to Amrun as the 12mt/a mine ramps down in 2018 and 2019.

Amrun will be in the first quartile of the cost curve and with its high quality product and proximity to customers, will generate increased value for our shareholders.

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Slide 42: Low cost, high grade bauxite well located for exports to China

Rio Tinto has over 50 years of experience in the Weipa region. As such, we know the area well and understand the resource. This contributes to Amrun being a low technical risk project and operation.

It is located in a remote area and its successful execution requires good local knowledge, which will need careful contractor selection.

Like the existing Weipa mine, Amrun will be a surface operation with a low strip ratio. Only a half to one metre of overburden needs to be removed before reaching a 3 to 5 metre thick ore body.

Caterpillar front end loaders and 195t bottom-dump haul trucks are the main Heavy Mobile Equipment and as mentioned, we will be able to utilise some of this equipment from our existing fleet at East Weipa.

A newly built processing plant will be used to produce 50 to 55 per cent high grade bauxite. An efficient Panamax-sized port with expansion options to dual Panamax and Capesize vessels will be built adjacent to the plant.

Slide 43: Using significant project expertise to maximise capital efficiency

Our initial capital estimate in March of this year for Amrun was \$2.6 billion. During the year we have reduced the capital cost by 25% to \$1.9 billion. \$300 million of the \$700 million savings come from favourable exchange rate movements in the Australian dollar, however we have been able to capture an additional \$400 million savings from scope optimisation, a smarter approach to contracting and an innovative approach to construction.

The biggest savings, over \$150 million, come from resizing the port from Capesize to Panamax vessels without losing optionality to expand at a later date. We have also achieved savings from:

- Changing river transport facilities from passenger ferries to roll-on/roll-off river barges saving about \$30million;

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- Changing power supply to be third party owned and operated, saving a further \$30million;
- Using second-hand accommodation from our iron ore expansion camps, and other construction changes, which will deliver savings of over \$45 million;
- EPCM and owners costs have been reduced by ~\$70 million.

In terms of capex timing, approximately 70% of the capital spend will occur in 2017 and 2018 which is also when construction activity will peak.

Slide 44: Amrun timeline and construction workforce

The project timeline takes into account the wet season in Cape York which runs from January to March.

Time will be saved through the use of modular construction across various facilities including the wharf and jetty.

We have managed to reduce the original schedule by 6 months and we will see first shipment commence in the first half of 2019.

As you know, the Rio Tinto board approved Amrun on 27 November and site establishment works are already underway.

The team is currently working on awarding critical path contracts including for the river dredging and construction of the ship loader, stacker and reclaimer, wharf facility, main access road and accommodation village.

The construction workforce will be deployed in February 2016 with river facility, access road and accommodation village the initial focus. The construction workforce will peak at ~1,100 people in late 2017.

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Slide 45: Delivering productivity across the Group

I'm now going to look more broadly at the Aluminium Group, where, as Alf mentioned, there are hundreds of improvement activities underway. Production groups drive these operational improvements.

T&I is able to share that best practice across the group but also focus on just a few high-value group-wide initiatives. These “Flagship” productivity projects are focused on deployment of advanced technologies, which you will already know as the Mine of the Future programme, world-class asset management and energy productivity.

The aluminium product group has a proud history of innovation, demonstrated by our industry-leading, highly efficient AP smelting technology supported by an R&D group who continue to search for ways to improve productivity.

Since we established the iron ore operations centre in 2010, other operations centres have been developed across the group, including one for Aluminium in Brisbane and in Saguenay. As Alf mentioned, about 50% of our smelting production is now under 24/7 monitoring & control. Like iron ore, through the operating centres, we will be able to apply best practice across our smelter portfolio and achieve consistent improvements in smelter performance.

Our shareholders are not rewarded by us simply having the best maintained assets, they must be the most productive.

It is standard practice for asset managers to rely on calendar, or time-based maintenance. This often leads to over-maintaining. With better monitoring techniques, it is possible to better understand asset health and optimise service and component change intervals.

We are doing this for both mobile fleet, such as trucks and loaders, and fixed plant components like conveyors, crushers, pumps and transformers.

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Our journey has started with haul trucks in our coal and iron ore operations where big data, advanced analytics have helped extend service hours in the Pilbara and the Hunter Valley. This can be expanded to haul fleets in other operations including the Aluminium group and Alf talked earlier about some of the work being done on mobile equipment.

We are also undertaking a pilot improvement project in the Pilbara on an iron ore processing plant, working on crushers and conveyors, which are two asset classes that are prevalent across not just Iron Ore, but also Copper, Coal, Bauxite and other operations.

Optimised asset servicing, predictive asset health and standardised maintenance practice, will be able to deliver around \$45 million in improvements to the Aluminium group in 2016.

Energy represents over 10% of our group operating costs.

I have a dedicated team focused on reducing costs through engine and power optimisation, improving the management and measurement of usage and alternative energy sources. This is in addition to the optimisation of the hydro assets across Canada which Alf mentioned previously.

In the area of heavy mobile equipment, we are working with manufacturers, in particular Komatsu, to explore ways to reduce empty vehicle weight and improve driver efficiency. Of course our automation programme already delivers improved fuel efficiency.

The team is working with the product groups on understanding power usage on conveyor systems as these assets represent a significant power draw across Rio Tinto. We are looking to optimise the interaction between the operations of power generating assets, generating and demand management and the commercial agreements for fuel and power supply.

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We believe 2 to 3% group wide savings in energy productivity is quite achievable and this should translate into about \$12 million savings for the Aluminium group in 2016.

Slide 46: Advancing productivity at Andoom

Not every improvement has to rely on new inventions. Known technologies are widely used in Rio Tinto to improve productivity.

The Andoom plant is a part of the existing Rio Tinto Weipa operation and today the complex produces about 16.5Mtpa of bauxite. The processing plant was commissioned in 2004 and has since seen substantial productivity uplift.

The plant capacity has increased more than 50% since 2008 using only \$2 million of capital. The five million tonnes throughput improvement has enabled hundreds of millions of dollars of additional revenue for Rio Tinto every year.

We did this by upgrading the 'brain' of the processing plant to allow us to opportunistically increase throughput depending on various operating conditions and to pinpoint and remove bottlenecks.

Technical innovation like this has group-wide applicability and has been deployed in many mine sites right across our operations.

Slide 47: T&I delivers significant value

We must constantly find safer, smarter and more efficient ways to manage our resources and operations.

Technology & Innovation is focused on driving value through the delivery of world-class Projects and world-class productivity. In both cases, we partner closely with Rio Tinto's Product Groups to ensure that:

- Major capital projects are delivered according to best-in-class practices, on-or-ahead of schedule, with the most efficient use of capital; and that

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- Operational productivity is embedded through the use of technologies, innovation and operational excellence.

In the current global environment, Rio Tinto is strategically positioned with a best-in-class, high-quality project portfolio. We expect to continue delivering value through expansions of Amrun, the Pilbara, Oyu Tolgoi and other key projects.

We have demonstrated the ability to drive down capital intensity in a number of projects with the latest example being Amrun. And we continue to make operational improvements across the Group.

We believe that our skills in technology and innovation can continue to provide additional shareholder value for many years to come.

With that let me hand over to Gervais.

Slide 48: Title slide maximizing value from mine to market

Good afternoon.

Vivek spoke earlier about the long-term demand story for our main products, aluminium and seaborne bauxite. It is clear that the current market situation and short-term outlook present more challenges than the medium to long-term prospects.

I will take you through the current state of the market and the short-term trends we are seeing. More importantly, I will talk about how we are working to maximise the value of all our products to generate additional returns.

Slide 49: Our sales and marketing capabilities maximise the value of our products

We pride ourselves on developing and delivering quality products and services that allow us to provide additional value for our customers and capture incremental returns for the business and our shareholders.

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At Rio Tinto Aluminium we have a deep knowledge of our industry, based on decades of experience, which allows us to provide a technically strong product offering.

Being close to our customers also allows us to align our product with customer needs. Furthermore, not competing in the downstream means we can collaborate and provide technical know-how to our customers and end-users without conflict - creating stronger commercial relationships.

Finally, the optimisation of our supply chain, from mine to market enables us to squeeze out cost and working capital. Something we are continuously focusing on.

Slide 50: Steady pricing despite bauxite supply growth

China imported 44 million tonnes of bauxite to the end of October; 16 million tonnes of this came from Australia – all of which was supplied by Weipa and Gove. Our Chinese customers value the large-scale, high-quality and reliable supply we offer.

In fact, China is on track to exceed 50 million tonnes of bauxite imports this year. This rise has occurred despite the Indonesian export ban, demonstrating China's strong need for imported bauxite and reinforcing why we are growing supply into this market. As a result of the growing demand, bauxite prices have remained relatively steady this year.

New bauxite supply has come from Malaysia to fill the gap left by the Indonesian ore ban. However, we do not believe that Malaysia will play a long-term role in the industry, given their limited reserves.

We believe that Indonesian exports will resume at some point in the future, either as bauxite or alumina, or a combination of both, but as Vivek outlined, in China there is more than enough demand from growth and domestic depletion to absorb it.

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Slide 51: Short-term aluminium pricing pressure

Primary metal is currently facing a challenging market backdrop. Prices reached multi-year lows in November, bottoming at just over 1,400 dollars per tonne. The decline was partly driven by cost curves shifting down as the industry benefited from lower input costs, and the strengthening US dollar.

However, with around half of the cost curve losing money, this is not just a question of supply and demand – as LME-traded commodities are being used to take positions on macro uncertainties.

At these price levels, there will clearly be further curtailment of non-competitive, high-cost capacity. Until this happens, prices will remain under pressure.

This is not a simple process. We have seen some curtailment announcements, but industry players are reluctant to carry through their intentions and governments are quick to provide subsidies to players under stress.

That said, we have recently seen an improvement in buying interest which has at least helped stabilise market premia.

As Vivek pointed out, there are around 13 weeks of aluminium consumption held as inventory, almost none of which is value-added product – which is where we focus our activity.

I will talk later about how we are developing our value-added product, to capture additional product premia.

Slide 52: Rio Tinto has a pre-eminent position in bauxite

As Alf stated, Rio Tinto has the leading industry position in terms of bauxite reserves and resources. We have equity in four of the world's top export bauxite mines, covering both the Atlantic and Pacific markets. These operations are large-scale and long-life, providing attractive EBITDA margins and future expansion opportunities.

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In 2015, we expect to supply 18 million tonnes to China, or around a third of imports. This position makes Rio Tinto the largest single seaborne bauxite supplier in the world.

This resource base and capability means our customers can count on stable long-term supply of consistent product quality, as well as receiving market-leading technical know-how and support. Just like our colleagues in iron ore, we have a dedicated technical team in China who work with our customers to maximise product value and service delivery. This is a unique offering in the Chinese bauxite market which no other company is in a position to provide.

So we therefore ensure that we capture all potential value and generate significant margins on our exports.

Slide 53: Customers value bauxite differently

It is important to point out that not all bauxite is equal. Each bauxite deposit is unique in its chemical and physical properties, which has significant implications for how it is processed.

Rio Tinto's bauxite has one of the highest alumina contents in the industry - an attribute that is highly prized by the refineries that consume our bauxite. The consistency in quality and the significant resource position are important elements of our value proposition.

Refinery technology is also a consideration, as alumina refineries are typically designed and optimised to process a specific type of bauxite or a consistent mix of feed material.

Rio Tinto's comprehensive on-site technical support programme, is designed to work with our customers' refineries to enable them:

- to use RioTinto's bauxite and
- to optimise their refinery's performance.

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Our customers become integral partners in the alumina production value chain. With our dedicated bauxite ports, multiple supply locations, and significant resource position, we are able to provide a unique level of supply security for our customers.

Slide 54: Stable, high alumina content of Weipa bauxite

Given the recent approval of the Amrun project, let's keep the spotlight on that resource and take a closer look at our Cape York bauxite and why it has such a strong marketing proposition.

The alumina content in our Cape York bauxite is consistently high – at around 53 to 55 per cent. The higher the alumina content, the less bauxite is required per unit of alumina. For example, in the case of Weipa bauxite, just over two tonnes is required to produce one tonne of alumina. With lower grade material, it can take as much as 3.5 tonnes to produce the same tonne of alumina.

This creates freight savings for our customers and also means that less bauxite residue is generated at refineries. This is particularly important where land is at a premium and storage of bauxite residue is problematic – a growing issue in many locations.

Being able to provide this consistently high-quality bauxite is exceptionally valuable.

Slide 55: Achieving best value for our bauxite

Our commercial strategy is to achieve best value for our product by focusing on the requirements of our customers.

We negotiate the market price for our bauxite through regular bilateral discussions with our customers. This helps to reflect the underlying fundamentals of the market in the bauxite price.

We also sell on a mix of long-term, medium-term and short-term contracts for optimal flexibility.

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Reflecting demand for our products, at Amrun we have already pre-sold more than half of the additional tonnes and are in advanced discussions with key customers on further off-take agreements.

As part of our marketing strategy, we are also able to leverage Rio Tinto Marine, one of the largest bulk carriers in the world, which enables us to optimise our freight offering to meet customer requirements and deliver value to Rio Tinto.

Slide 56: Our alumina business provides competitive security of supply to our world-class smelters

Our alumina business is an enabler and ensures we have supply security at a competitive cost for our world-class smelters. Following the curtailment of our Gove refinery, our global alumina position is broadly balanced.

However, you can see from this chart that we have a geographic imbalance. Rather than ship our alumina half way round the world, we optimise our position through swaps, to ensure we have the right alumina in the right location. This saves both time and money as well as lowering alumina levels tied up in working capital.

Slide 57: Attractive margins on our value added product

We have been very deliberate in improving our revenues through making value-added products, which achieve a premium over standard remelt ingot. This is attractive to our end-customers as it saves them incremental processing costs.

Working with customers to align our product offering to their requirements builds trust and loyalty in a collaborative engagement.

Close to 60 per cent of our aluminium production in the first half of 2015 was in value-added form. Our value-added products are priced above standard remelt ingot, which means that around 60 per cent of our sales were transacted at the LME price, plus a physical delivery premium, and a value-added product premium on top.

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We have shown you in the bottom chart the median industry product premia in 2015. Our product mix allowed us to achieve a 259 dollar per tonne product premium on our value added products during the first half of 2015. This translates into an additional margin of 166 dollars per tonne over standard remelt ingot and equates to over 170 million dollars in the first half alone.

There are two other aspects I would like to highlight before moving off this topic: the consistency of the VAP premia over time and the product premium achieved in North America.

First, product premia have been relatively stable, reflecting steady demand, limited supply and obvious product value to the customer. Secondly, the highest product premia are typically achieved in the North American market which is where the largest proportion of our products are sold.

We continually look for ways to increase the share of VAP. For example, at Kitimat we built a new casting facility as part of the modernisation project. And, targeting the transportation market, we have also invested around 5 million dollars in small form ingot capacity of around 40,000 tonnes per year at our PLS casting facility in Quebec, generating an IRR of around 50 per cent.

Through these initiatives and as the largest aluminium producer in North America, we are well-positioned to supply additional VAP into this market.

Slide 58: Well positioned to capture demand growth in North America

Vivek has highlighted the importance of the North American market. VAP is expected to grow at between 4 and 5 per cent to 2025 – that's the equivalent of over 4 million tonnes.

The main drivers of this growth are automobiles and housing, as shown in the chart. In the automotive industry, the growth is driven by increasing aluminium content to reduce weight and CO₂ emissions. Industry analysts forecast that by 2025, over 26 per cent of all the body and closure parts for light vehicles will be made of aluminium,

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up from the current 6.6 per cent. Close to 40 per cent of our products are being sold to the automotive industry and we aim to capitalise on this development.

Aluminium is also used extensively in building and construction. With North American housing starts expected to grow to 1.5 million in 2018, up from about 1.1 million today, we are in a strong position to capture this demand growth. Our proximity provides shorter lead times and more reliable deliveries. We have excellent technical assistance and partner on research and development. To complement these benefits, we offer aluminium with one of the lightest CO₂ footprints in North America.

Slide 59: Additional margins from sustainable solutions

We are a founding member of the ASI – the Aluminium Stewardship Initiative. The main focus areas for the ASI are sustainability, responsible sourcing and material stewardship.

With one of the lightest carbon footprints per tonne we are well-positioned to take advantage of the increasing demand from customers for cleaner, more sustainable products – all of which attract a premium.

As Alf mentioned, we have developed and introduced a unique low CO₂ label, called RenewAl, to better leverage our low CO₂ aluminium. Rio Tinto is the first aluminium producer to launch such a product. RenewAl is a relatively new and niche product, which we launched in April this year and it has already attracted an EBITDA increase of 6 million dollars in 2015.

Many of our customers across a number of industries are now differentiating their products as sustainable and environmentally innovative. For example, customers in the automotive industry are making major shifts towards aluminium – as every 10 per cent reduction in vehicle weight improves fuel economy by 7 per cent.

In the building and construction industry, the Leadership in Energy and Environmental Design or LEED certification encourages the use of green features in

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buildings to achieve high energy efficiency. With a low CO₂ footprint, responsible bauxite sourcing and high traceability, our aluminium enables our customers to achieve LEED accreditation.

And we are also seeing numerous examples from other industries such as packaging and in consumer electronics.

Slide 60: Maximising the value of our products

In conclusion, we have been working hard and we need to be agile in this market. We are looking to further leverage our leading position in bauxite to supply the growing seaborne market.

We are working with our customers to position our high-quality Cape York bauxite as the product of choice and have already committed over half of the additional tonnes coming from the Amrun project.

We achieve additional VAP premia on almost 60 per cent of our metal sales and we will continue to look at ways to increase the share of value-added products, particularly in North America.

And finally, we have begun monetising our low CO₂ responsible aluminium as our customers respond to increasing pressure to improve the carbon intensity and sustainability of their products.

With that let me hand back to Alf

Slide 61: Summary slide

Slide 62: Aluminium – generating value through the cycle

Thank you Gervais

Let me summarise.

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Our aluminium group is underpinned by our tier one assets, comprised of world-class bauxite resources, and our first quartile smelters.

I lead an organisation with a strong embedded cost and performance culture. We remain focused on driving returns, efficiency gains and cost reductions - and we have pathways in place to take another 300 million dollars out of the business in 2016.

There is a strong growing demand for aluminium globally and for bauxite imports into China as the quality of China's domestic bauxite reserves declines.

The Amrun project is an exceptional investment opportunity, generating strong financial returns. I am excited about the value that this project represents for Rio Tinto. We have already driven down capital intensity and we will continue to manage the project with the same discipline that has been demonstrated all along. We are establishing Cape York bauxite as the product of choice for the Chinese seaborne market with consistent quality, security of supply and strong technical marketing support. This long-life, low-cost, expandable asset offers a wide variety of development options and pathways over the coming decades. Amrun will considerably extend our leadership in the growing bauxite market.

Through our value-added products and strong marketing capability we continue to capture additional margin in aluminium. We have a marketing team that deeply understands our customers – working together to provide value-added products and services, thereby attracting incremental returns for the business and our shareholders.

However, we cannot be complacent about our competitive positioning. I have set out today how we will continue to deliver productivity improvements, cost reductions, disciplined capital management and, most significantly, generating cash across all of our operations.

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We will ensure that Rio Tinto Aluminium maintains its focus on delivering sustainable returns and driving shareholder value.

Thank you for your attention. We are now happy to take your questions.

[ENDS]