

Presentation to Macquarie Australia Conference 2017

4 May 2017

Rio Tinto chief executive J-S Jacques is presenting today at the Macquarie Australia conference in Sydney.

The presentation is attached and will also be available at riotinto.com/presentations.

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RioTinto

Macquarie Conference

J-S Jacques – chief executive

4 May 2017

Sydney

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Our value proposition

Long-term strategy

World-class assets

Delivering >2% CAGR¹ CuEq growth

Licence to Operate

Cash focus

Value over volume

\$2 billion cost savings over 2016/17

\$5 billion free cash flow from mine to market productivity by 2021

Capital discipline and shareholder returns

Strong balance sheet

40-60% returns through the cycle

Portfolio shaping

Team and performance culture

Safety first

Assets at the heart of our business

Commercial and operational excellence

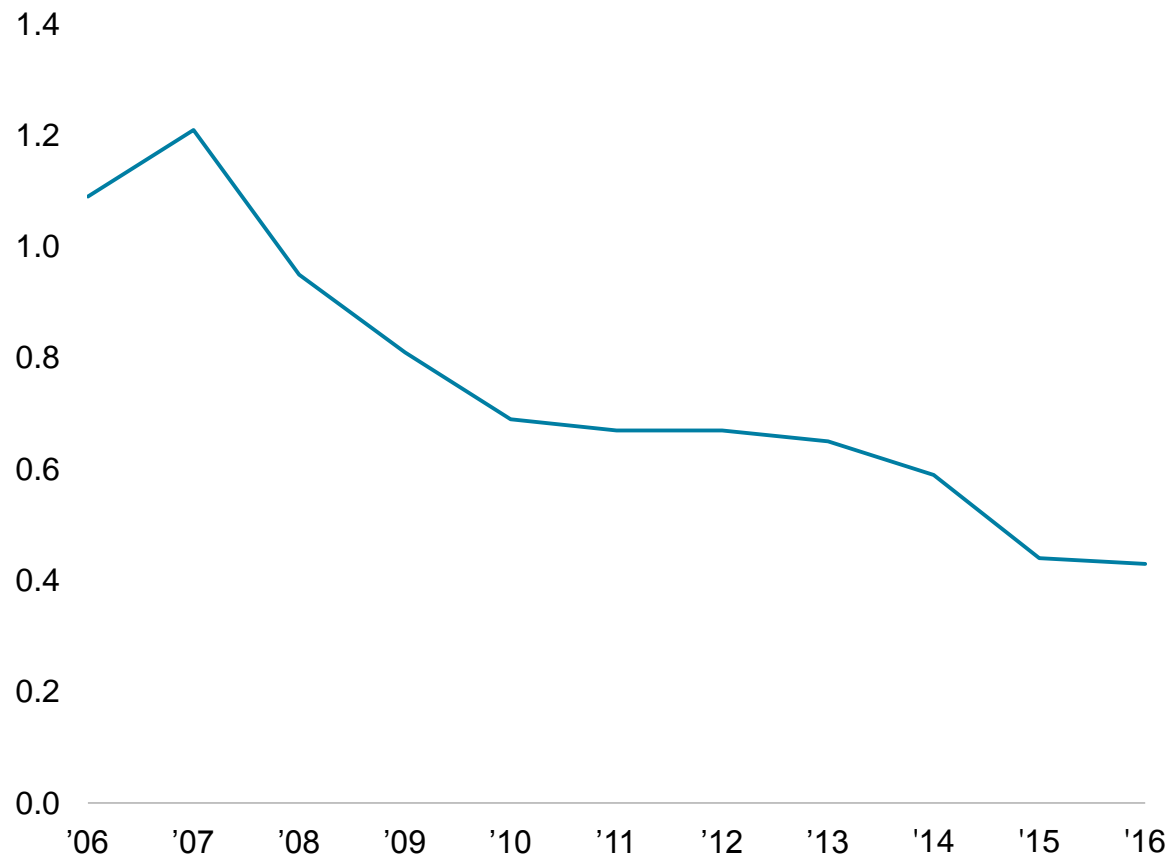


¹ Copper equivalent CAGR, 2015-2025.

Safety comes first

A history of continual improvement in safety

AIFR per 200,000 hours worked



Continued focus on Fatality Prevention, Illness and Injury Reduction and Catastrophic Event Prevention

Critical Risk Management (CRM) Programme

– More than 1.3 million verifications in 2016



Strong results delivered in 2016

Robust financial performance

Operating cashflow of **\$8.5 billion**

Underlying earnings of **\$5.1 billion**

Free cash flow of **\$5.8 billion**

Cash cost reductions of **\$1.6 billion**

Capital allocation

Full year 2016 dividend of **\$3.1 billion**

Share buy-back of **\$0.5 billion** in 2017

Net debt reduced to **\$9.6 billion** at 31 December

Capital expenditure of **\$3.0 billion**

Positioning for the long-term

Oyu Tolgoi underground approved in May

Silvergrass iron ore approved in August

Amrun development progressing to plan

Portfolio shaping progressed with divestments announced totalling **\$1.3 billion** in 2016



World-class assets delivering value

	Iron Ore	Aluminium	Copper & Diamonds	Energy & Minerals
Margins	63% Pilbara operations FOB EBITDA margin	28% Integrated operations EBITDA margin	35% Operating EBITDA margin	30% Operating FOB EBITDA margin
Cash flow	Cash flows from operations of \$5,644m Free cash flow of \$4,776m	Cash flows from operations of \$2,074m Free cash flow of \$1,267m	Cash flows from operations of \$987m Free cash flow of \$78m	Cash flows from operations of \$1,431m Free cash flow of \$1,294m
				

We aim to deliver \$5 billion of free cash flow in productivity improvements over five years

Value Chain



Exploration



Major projects



Mining



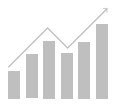
Asset
management



Processing



Infrastructure



Marketing

Broadening our cost saving programme to include productivity

Opportunity to
improve by **30%**



Haul Truck
Effective Utilisation¹

Opportunity to
improve up to **70%**



Maintenance Quality –
Mean Time Between Failure²

Opportunity to
improve by **30%**

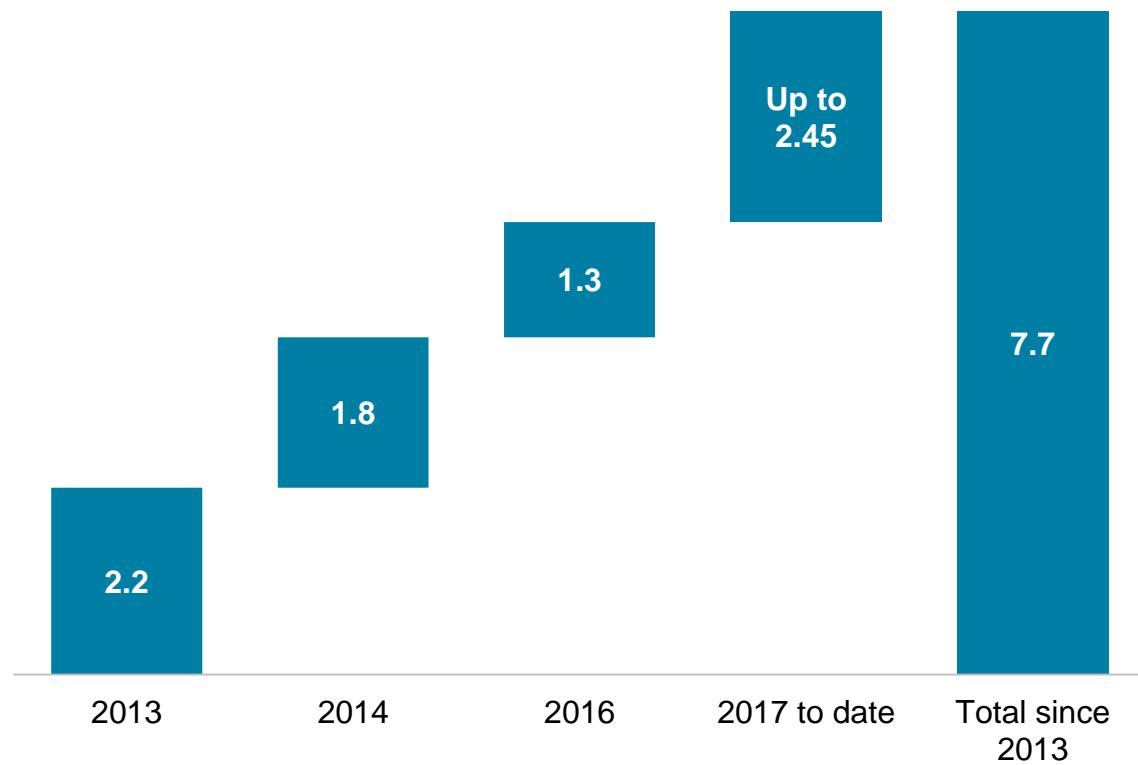


Processing Utilisation
– wet & dry³

All sources Rio Tinto. ¹ All trucks best to worst performing, excluding autonomous trucks. ² Across a range of key assets with utilised time representing one element of MTBF. ³ Across wet & dry mineral processing, excluding smelting

Continuing to shape our portfolio

\$7.7 billion¹ disposals announced since 2013 (\$bn)



Value delivered through divestments

January announcement of Coal & Allied divestment for up to \$2.45 billion

Proceeds in 2017:

- Lochaber second tranche of \$0.2 billion – now received
- Coal & Allied of at least \$1.95 billion expected in H2

¹ Based on amounts announced in Rio Tinto media releases, may vary from cash flow statement due to completion adjustments and exchange rates

Investing in growth projects of >15% IRR



Silvergrass – delivering high-grade low, phosphorus iron ore, with system benefits, for the Pilbara Blend

On track for H2 2017, ~20Mtpa capacity



Amrun – high-quality greenfield bauxite project.

Advancing to schedule, 22.8 Mt/a¹ capacity, H1 2019



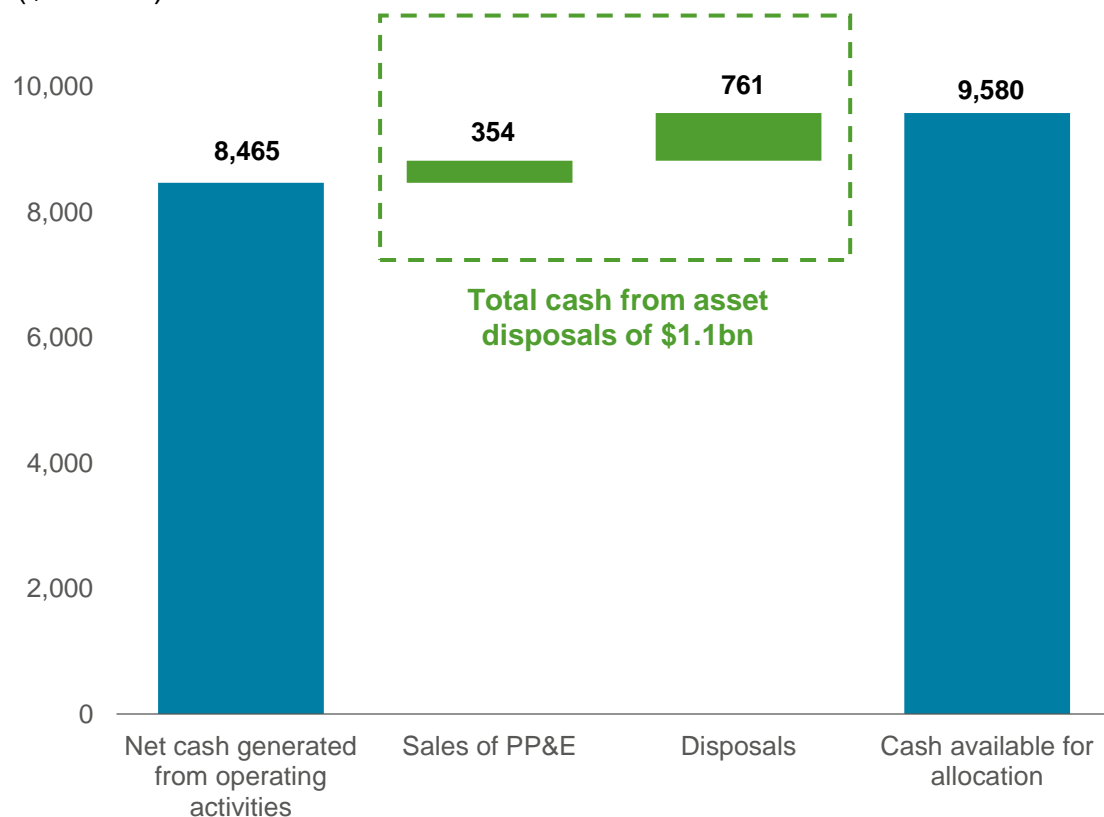
Oyu Tolgoi underground – large, high-grade, brownfield copper development

Underground mine development underway, ~560kt/a copper production (2025-2030)²

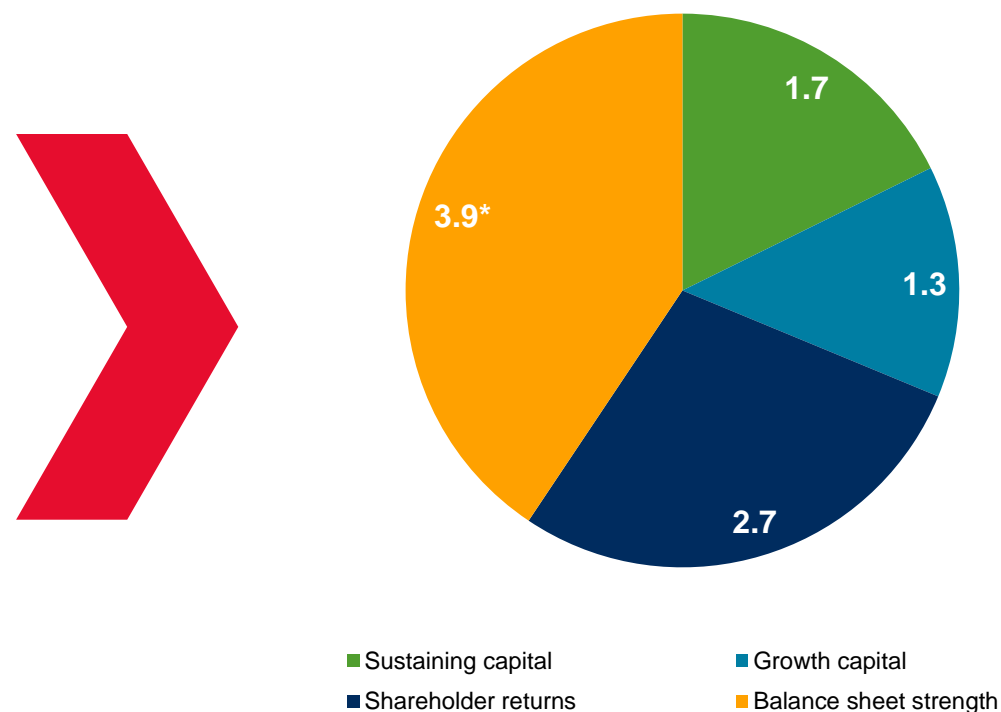
¹ The production target for Amrun was disclosed in a release to the market dated 27 November 2015 (“Rio Tinto approves US\$1.9 billion Amrun (South of Embley) bauxite project”). ² The production target for Oyu Tolgoi is the average production 2025-2030, including open pit production. This production target was disclosed in a release to the market on 6 May 2016 (“Rio Tinto approves development of Oyu Tolgoi underground mine”). All material assumptions underpinning these production targets continue to apply and have not materially changed.

Disciplined allocation of strong cash flow

Cash flow 2016
(\$ million)



Disciplined allocation of capital
(\$ billion)



* Balance sheet net debt reduction of \$4.2bn comprises \$3.9bn of net cash movement and \$0.3bn of non-cash or exchange movements

Strategy will deliver value through the cycle

Superior cash generation



World-class assets
Portfolio



Operating excellence
Performance



Capabilities
People & Partners

Disciplined capital allocation

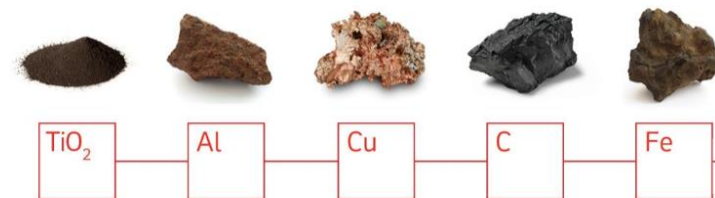
Balance sheet strength

Superior shareholder returns

Compelling growth

Delivering on our promises

- ✓ Strong operating cash flow of \$8.5 billion
- ✓ Portfolio optimisation with divestments announced of \$1.3 billion
- ✓ Investing in our three major growth projects
- ✓ Balance sheet strength with net debt reduced to \$9.6 billion
- ✓ Shareholder returns of \$3.6 billion





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