

UBS Australiasia conferece – presentation

12 November 2018

Attached is a presentation to be given by J-S Jacques, chief executive, at the UBS Australiasia conference in Sydney today.

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The background of the slide is a photograph of a mining operation at sunset. The sky is a deep orange, and the silhouettes of mining equipment, including a large bucket wheel excavator and conveyor systems, are visible against the horizon. The Rio Tinto logo is in the top left corner.

RioTinto

Delivering superior returns

J-S Jacques, chief executive

UBS Australasia Conference, Sydney
12 November 2018

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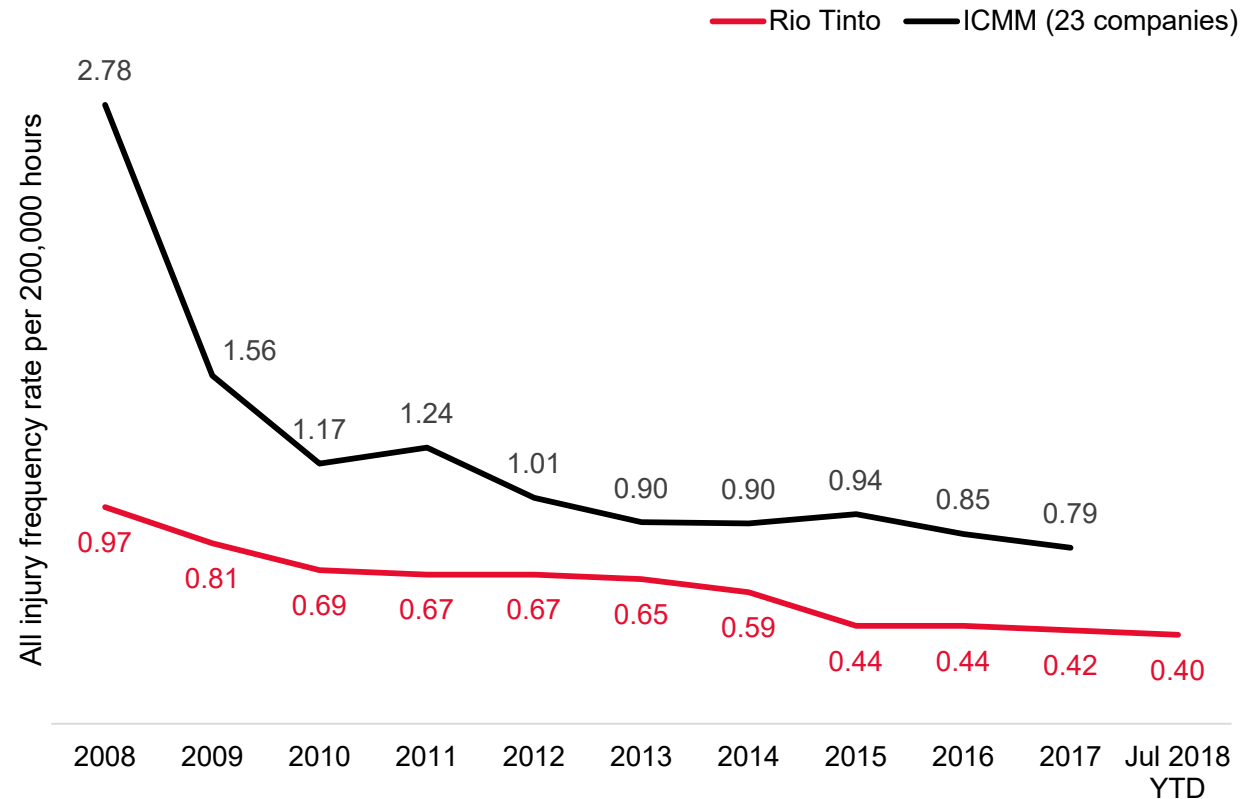
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Safety and health come first

AIFR vs Industry



Fatality at Rio Tinto Fer et Titane in April 2018

Fatal assault on a security contractor at Richards Bay Minerals in July 2018

Fatality at Iron Ore Paraburdoo mine in August 2018

Critical Risk Management programme continues to be embedded, including controls for critical health risks

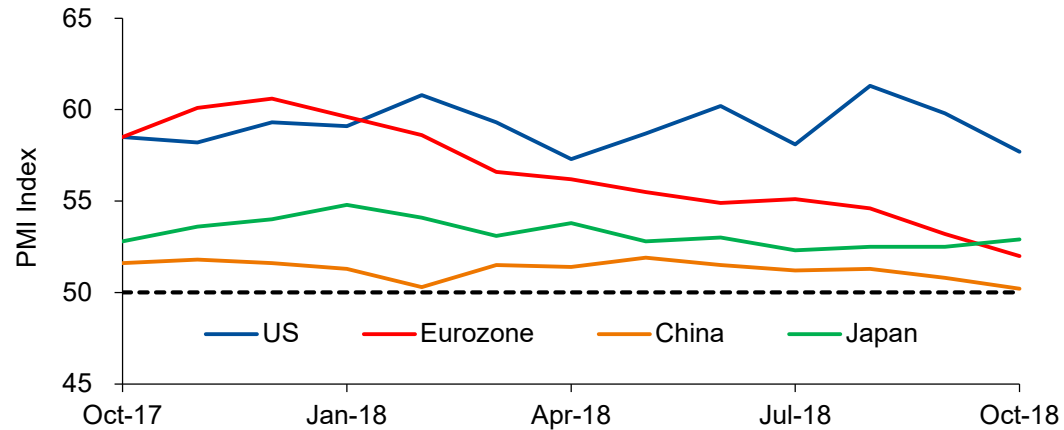
Preventing catastrophic events through our focus on **process safety** and the identification and management of controls for major hazards

Reducing injuries through targeted hazard elimination campaigns

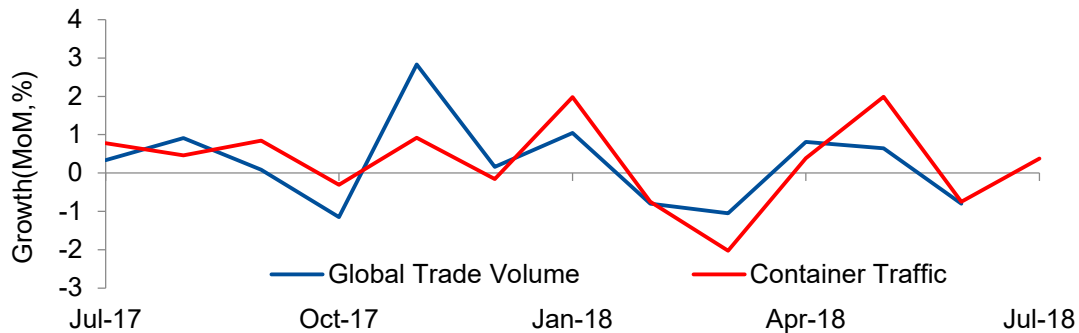
Ongoing focus on mental health, **wellbeing** and fatigue management

Global macro indicators remain supportive

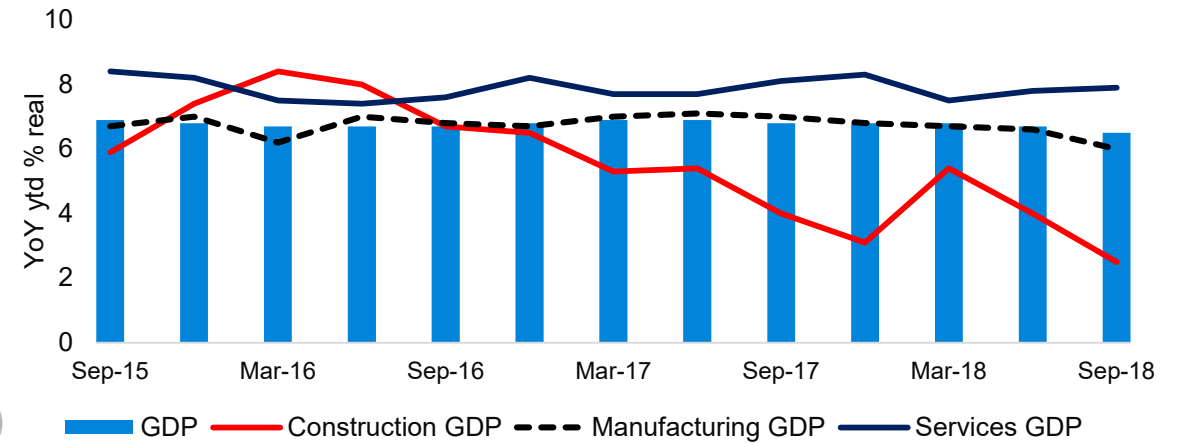
Global PMIs have eased but remain in expansion



Global trade remains strong



Chinese growth slowing very gradually



Controlled deceleration in Chinese economic growth since Q4 2017

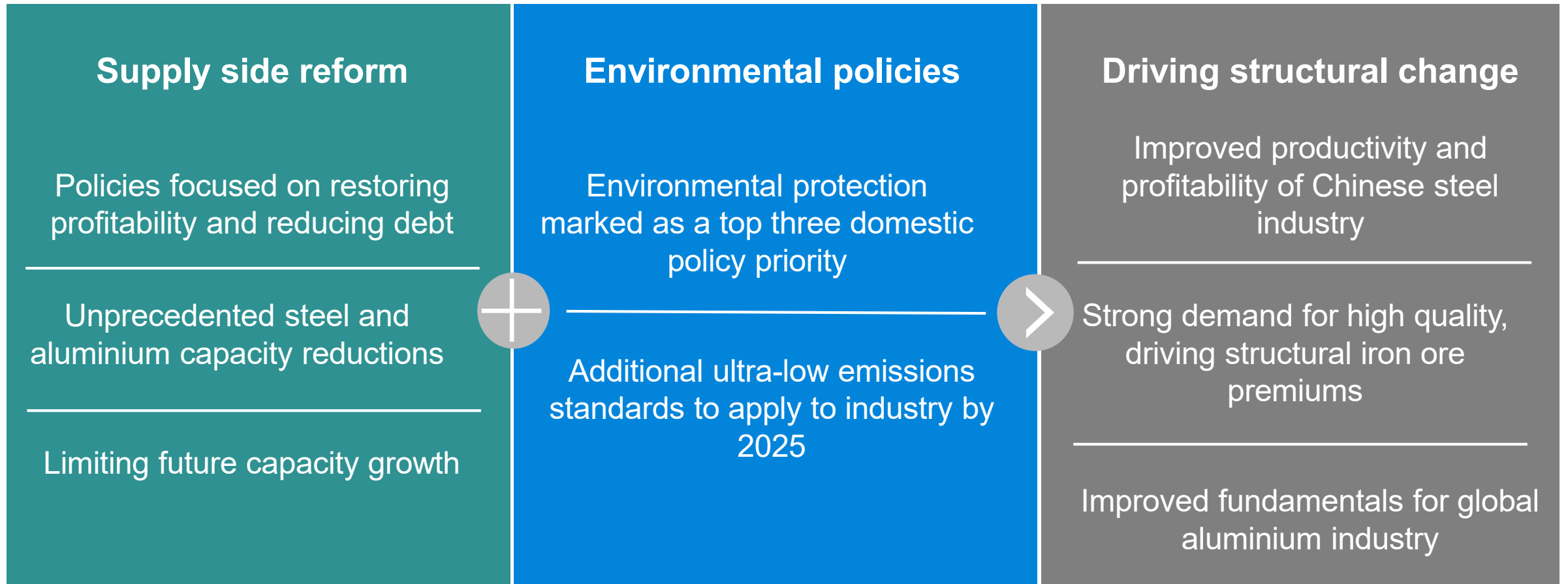
Despite tariffs, solid growth in container volumes indicates global trade remains resilient

Manufacturing sentiment has weakened but remains in expansion territory despite rising trade tensions

Trade tensions unlikely to materially affect steel demand

China supply-side reform and tightening environmental policy have driven structural change

5



Our strategy will deliver value through the cycle

Superior cash generation



World-class assets
Portfolio



Operating excellence
Performance



Capabilities
People & Partners

Disciplined capital allocation

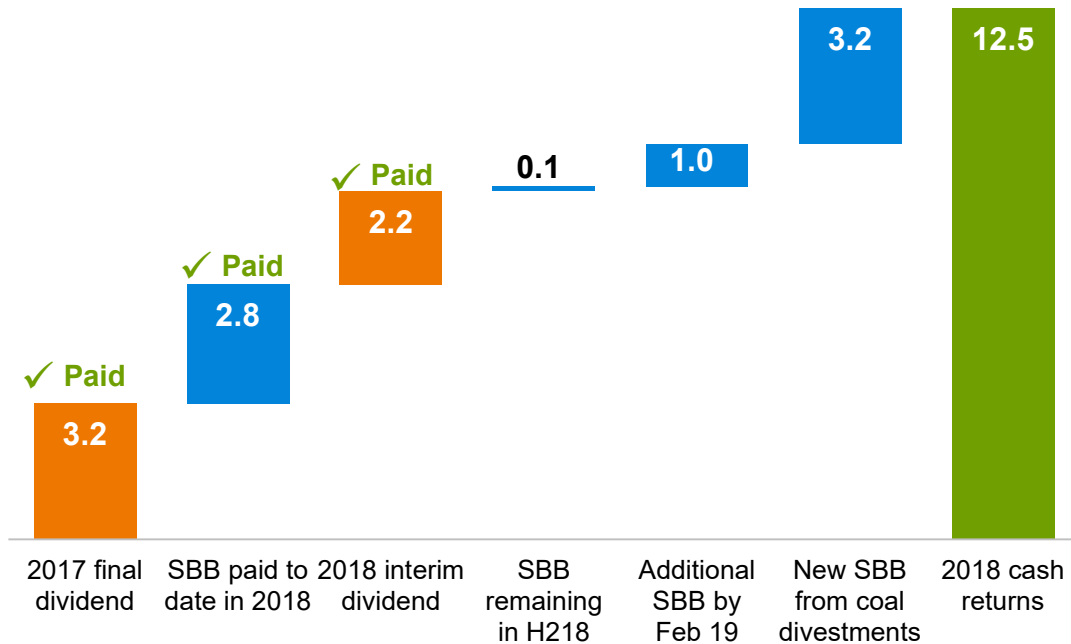
Balance sheet strength

Superior shareholder returns

Compelling growth

Delivering superior returns for shareholders

2018 cash returns to shareholders \$ billion







Interim 2018 returns to shareholders of **\$3.2 billion** announced on 1 August

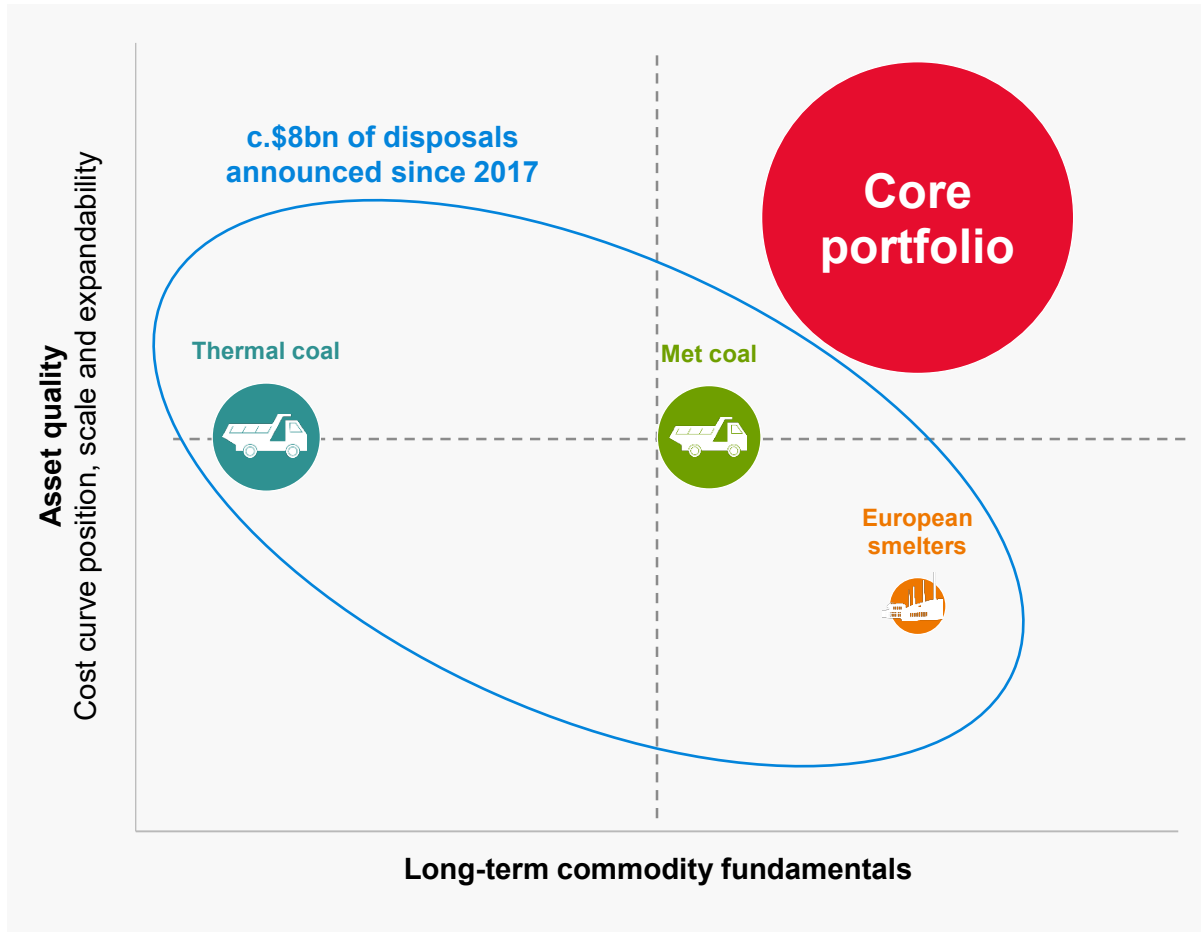
New share buy-back programme of **\$3.2 billion** from coal disposal proceeds announced on 20 September

Total cash returns from 2018 of **\$12.5 billion** represent 13 per cent of market capitalisation*

Strong cash flow from world-class assets

| | Iron Ore | | Aluminium | | Copper & Diamonds | | Energy & Minerals | |
|-----------|--|----------|---|----------|--|--------|--|--------|
| Margins | 67% Pilbara operations FOB EBITDA margin | | 35% Integrated operations EBITDA margin | | 45% EBITDA margin | | 36% EBITDA margin | |
| Cash flow | Cash flows from operations: | \$4,245m | Cash flows from operations: | \$1,137m | Cash flows from operations: | \$838m | Cash flows from operations: | \$599m |
| | Development capex: | \$183m | Development capex: | \$449m | Development capex: | \$690m | Development capex: | \$31m |
| | Free cash flow: | \$3,759m | Free cash flow: | \$327m | Free cash flow: | \$28m | Free cash flow: | \$379m |
| |  | |  | |  | |  | |

Further strengthening our world-class portfolio



Size of the bubbles represent reported operating assets value for core portfolio and disposals proceeds for disposed assets

Successful divestment programme. Since 2017:

- Exiting thermal coal and coking coal assets
- Lease and sale of wharf and land in Kitimat for \$576 million
- Exiting Dunkerque smelter*

Continuous portfolio review focusing on higher long-term returns

- Grasberg binding agreement signed for intended \$3.5 billion sale**

Evaluation of acquisition opportunities

- Rigorous and disciplined
- Creates additional scope and capability

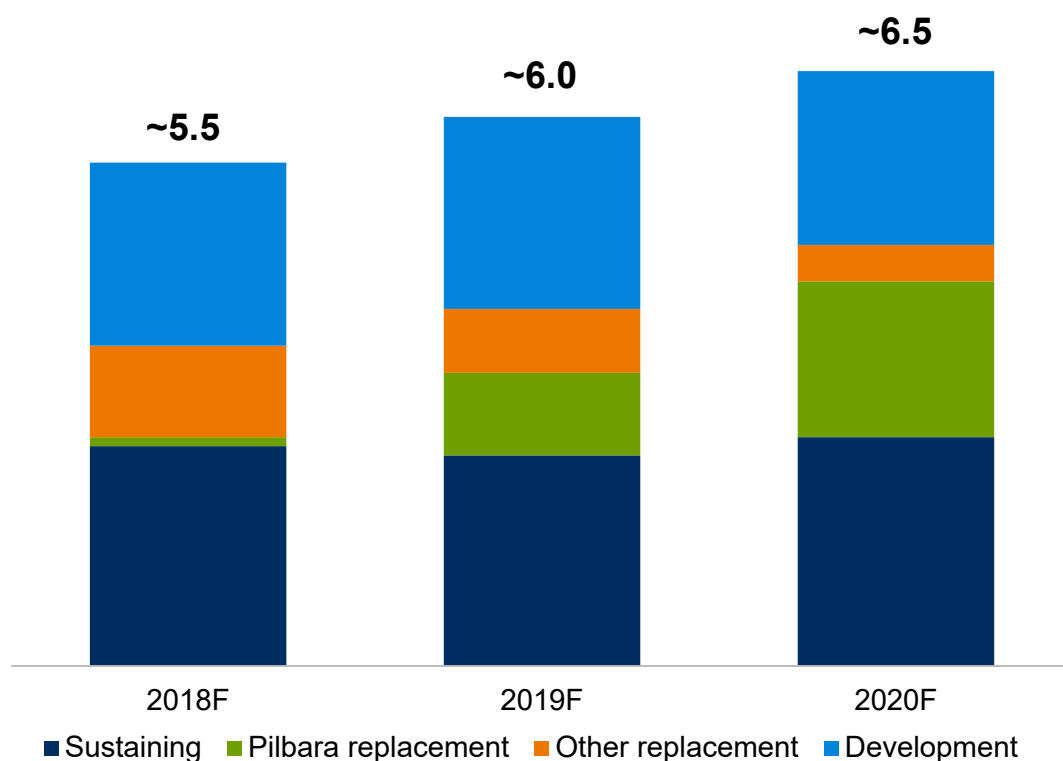
*The sale of the Aluminium Dunkerque smelter in France for \$500 million is expected to complete in the fourth quarter of 2018, subject to satisfactory completion of consultations with key stakeholders and applicable regulatory clearances.

**The transaction is subject to a number of conditions precedent being satisfied, including the receipt of regulatory approvals, with completion expected in the first half of 2019.

Sustaining capital and compelling growth

Capital expenditure profile

\$ billion



Maintained sustaining capital guidance of \$2.0 to \$2.5 billion per year, including:

- Iron Ore sustaining capex of ~\$1 billion per year

Pilbara replacement capital of ~\$2.7 billion includes Koodaideri development from 2019

Other replacement capital includes:

- South wall pushback at Kennecott
 - Amrun replacement tonnes
 - Zulti South
-

Development capital includes:

- Oyu Tolgoi, including development of power station
- Amrun
- AutoHaul™

High-return growth optionality

Iron Ore

Optimising the world's premier iron ore business

Increasing flexibility of Pilbara system

Koodaideri project in feasibility study

Pursuing additional productivity and automation initiatives

Significant resource optionality to maintain high-quality product

Aluminium

Building optionality into the lowest cost bauxite and aluminium business

\$1.9 billion Amrun bauxite project to complete first shipment in Q4 201 with full ramp-up in 2019

Further bauxite expansion options in northern Australia

Brownfield Canadian aluminium expansion optionality

Copper

Building the largest and highest quality copper development

\$5.3 billion Oyu Tolgoi underground first drawbell production in 2020

\$0.9 billion Kennecott South Wall Pushback

First full year of increased Escondida capacity in 2018

Resolution copper pre-feasibility study to be completed by 2021

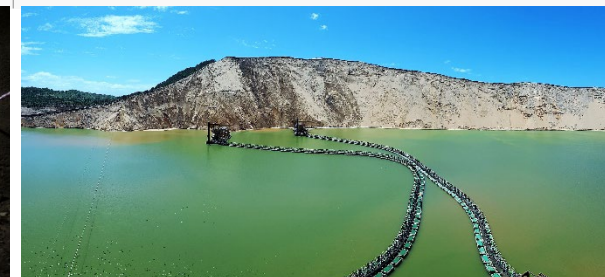
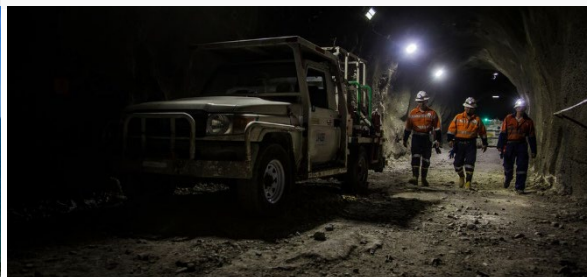
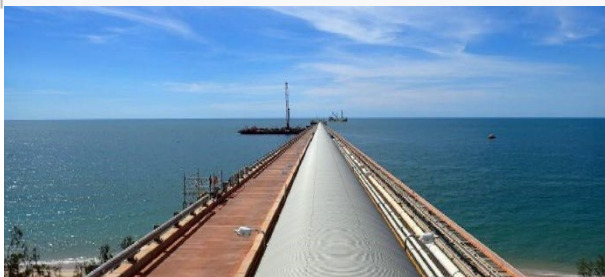
Industrial Minerals

Extensive exploration programme and high-return niche growth

Zulti South mineral sands project in feasibility study

Jadar lithium/borates in pre-feasibility study – high-growth option in battery minerals

H1 2018 E&E spend of \$232 million in 17 countries across 8 commodities



Our strategy will deliver value through the cycle

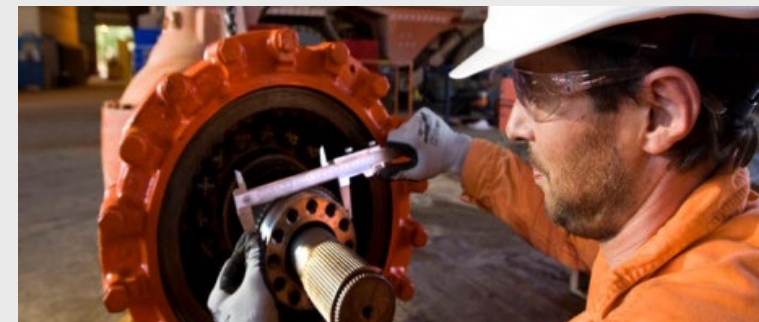
Superior cash generation



World-class assets
Portfolio



Operating excellence
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Capabilities
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Disciplined capital allocation

Balance sheet strength

Superior shareholder returns

Compelling growth