

Rio Tinto



Preparing for the future

AJM 13th Global Iron Ore & Steel Forecast Conference

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Chief executive, iron ore

23 March 2010

A year is a long time...

2009...

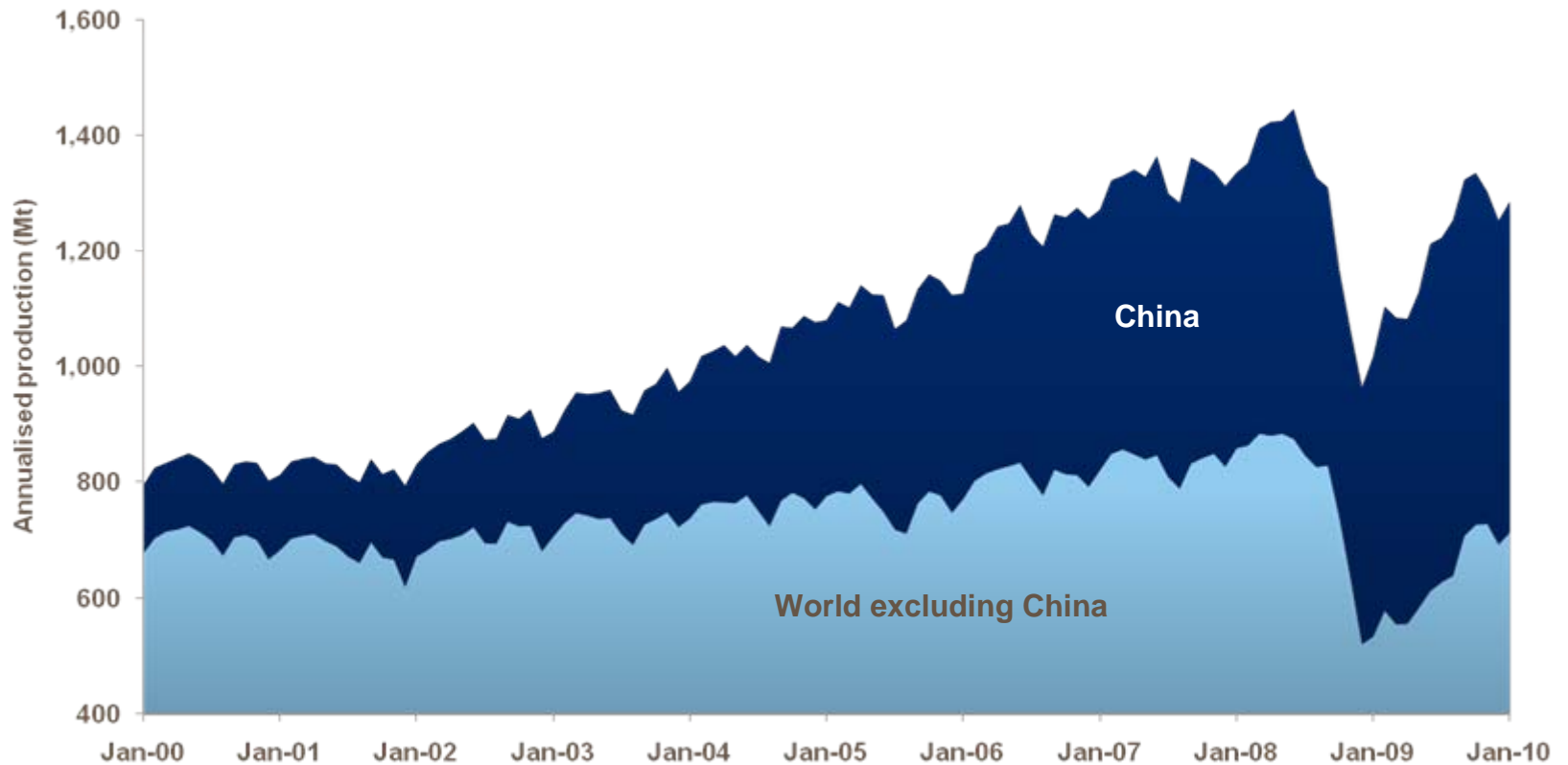
- GFC and stimulus packages unveiled around the world
- First decline in benchmark iron ore price in seven years
- Production adjustments and expansions suspended
- Reduced capital expenditure and operating costs

Now...

- Economic recovery positive, with China key and OECD recovering
- Recovery of spot iron ore prices to >\$140/t from lows of ~\$60/t
- Relunched expansion plans
- Proposed production joint venture with BHP Billiton to unlock synergies

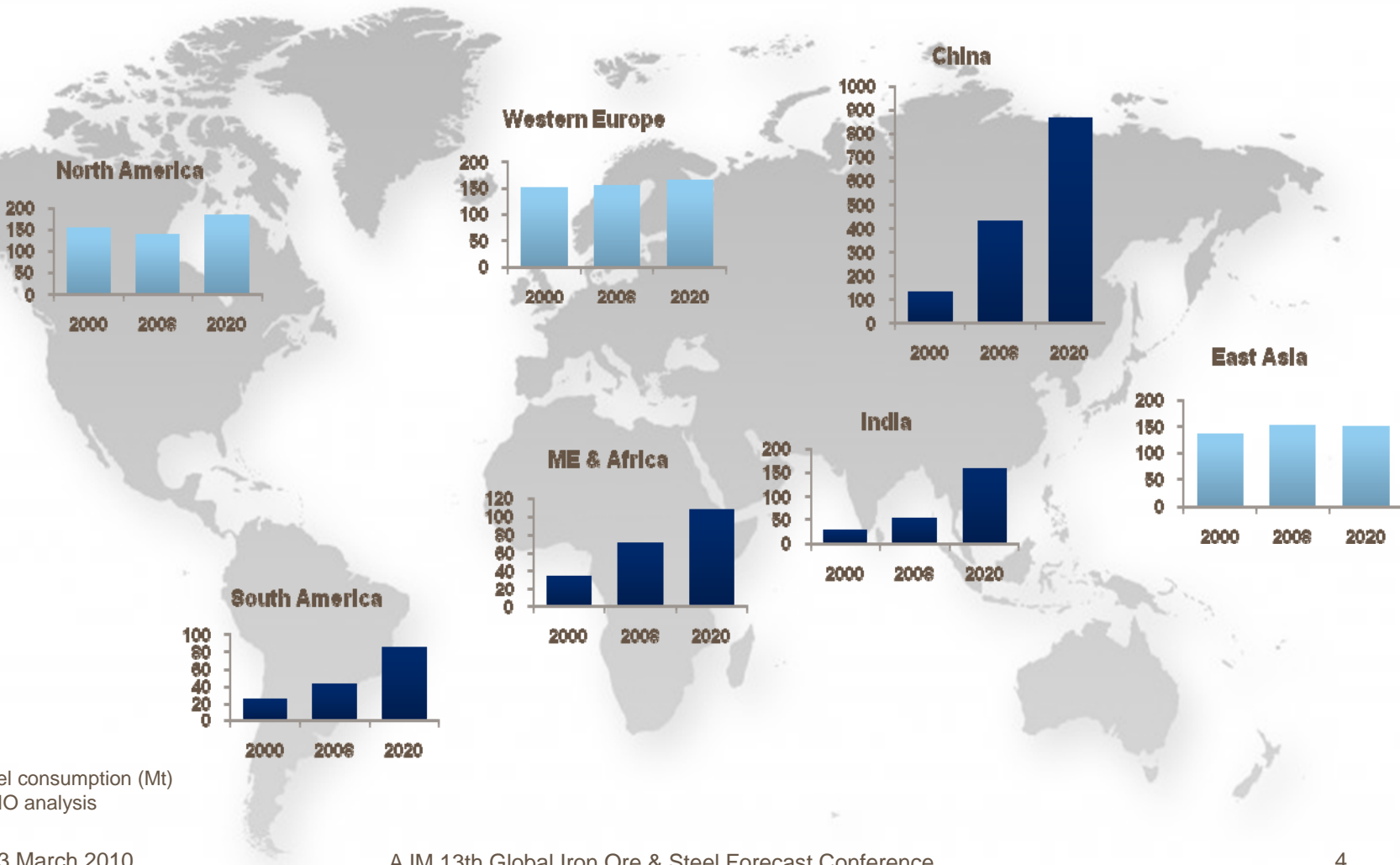
The “China era” of steel production

Global crude steel production



Source: World Steel Association

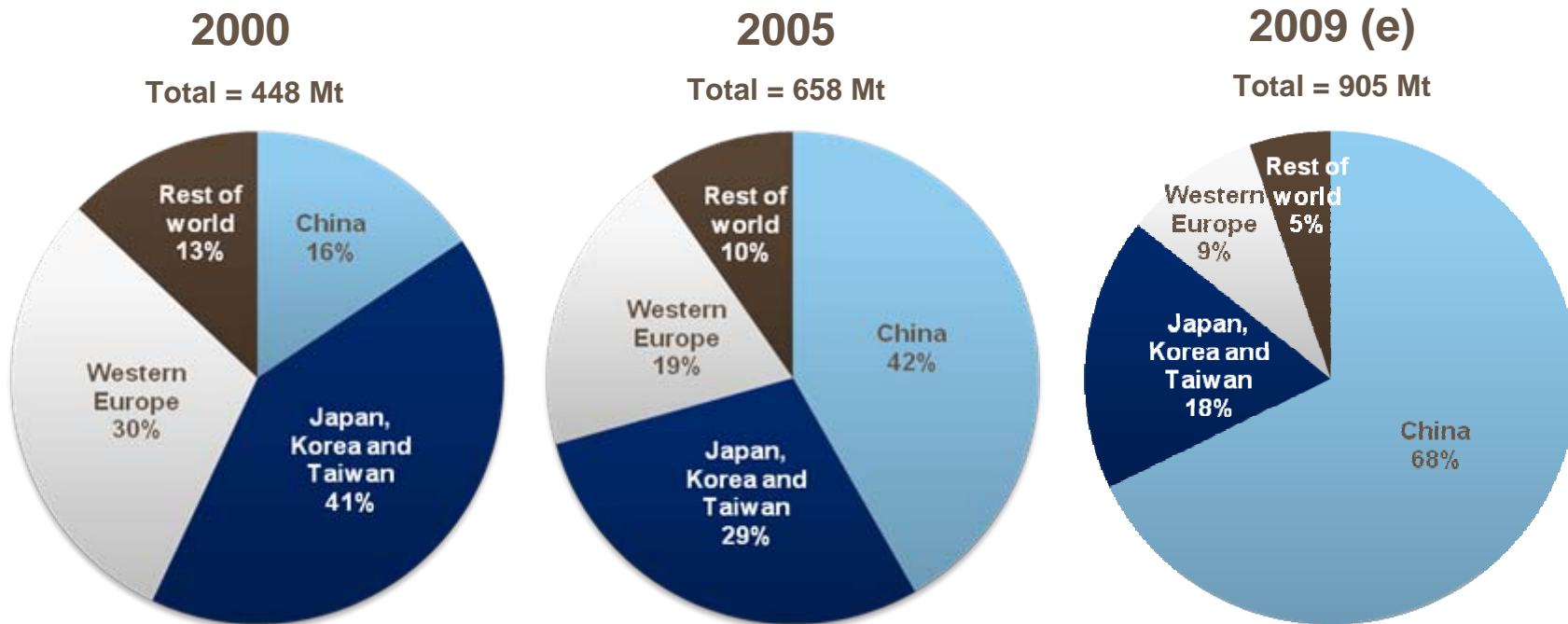
China and other emerging nations will drive steel consumption growth



* Charts show steel consumption (Mt)
Source: WSA, RTIO analysis

Developments in seaborne iron ore trade

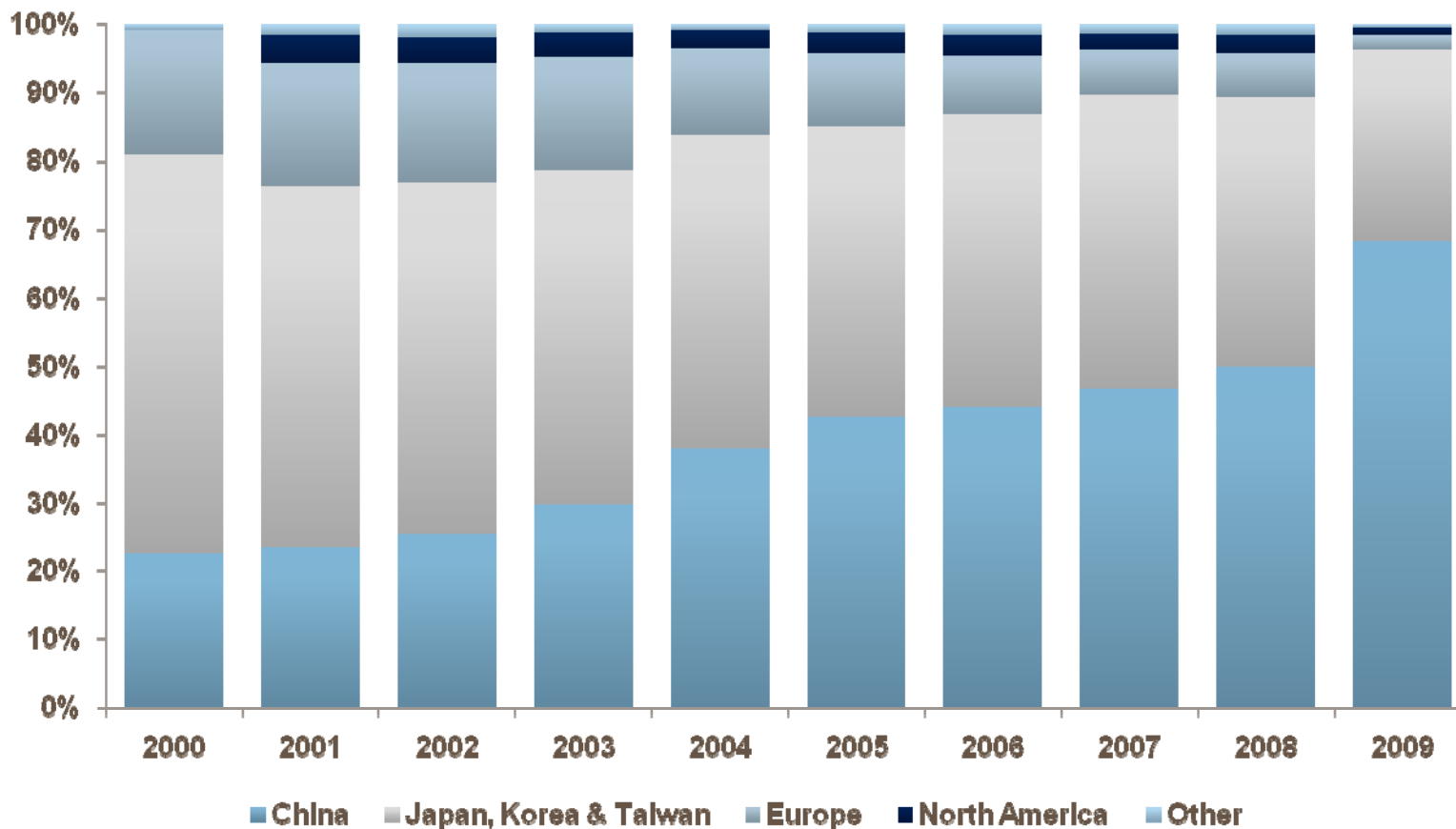
Seaborne iron ore imports



Source: Clarkson Research Services

Supplying China's growing appetite for iron ore

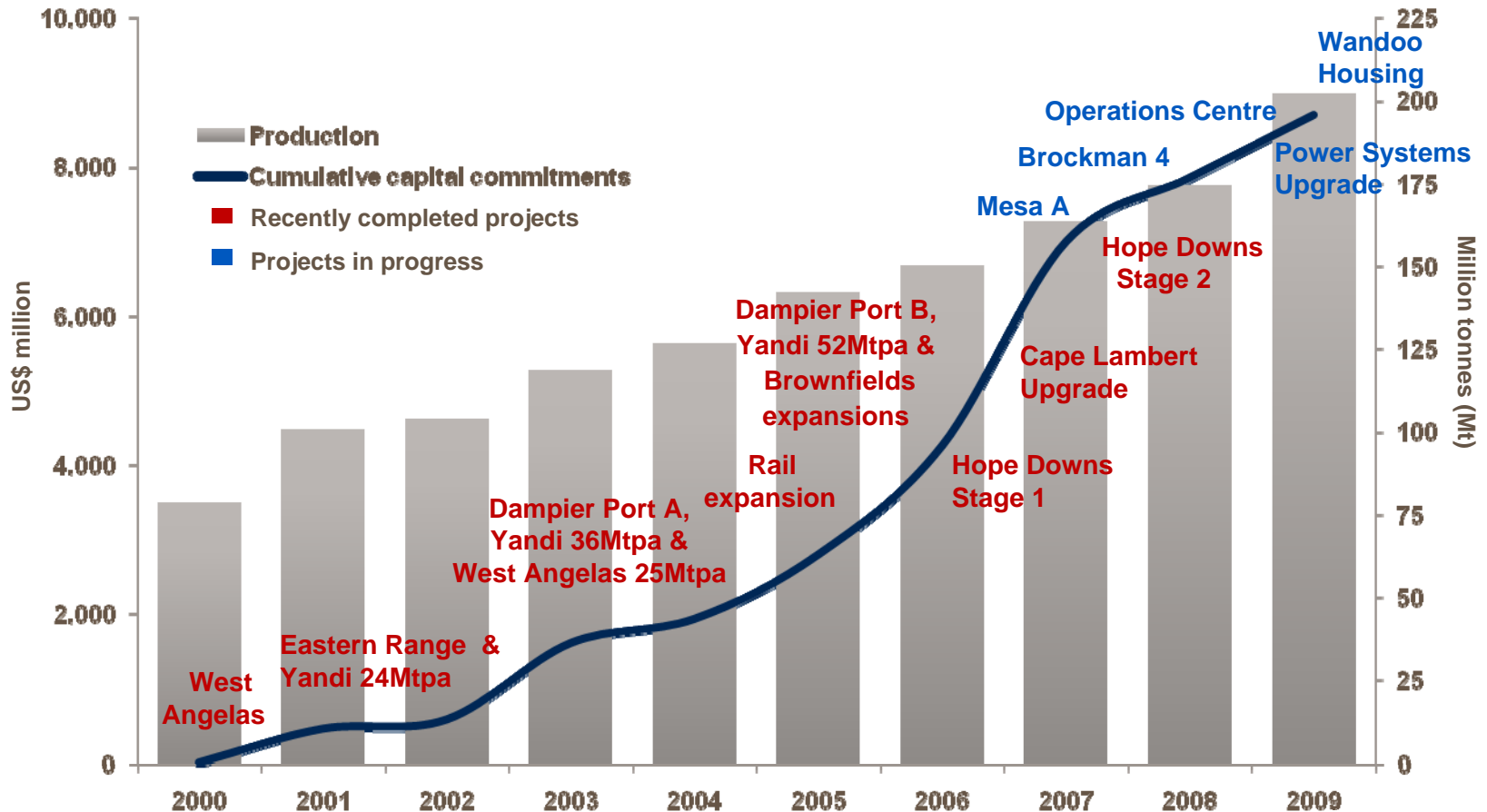
RTIO iron ore sales by market



Source: Rio Tinto

Responding to an upsurge in demand

RTIO Pilbara's major capital commitments and production since 2000*

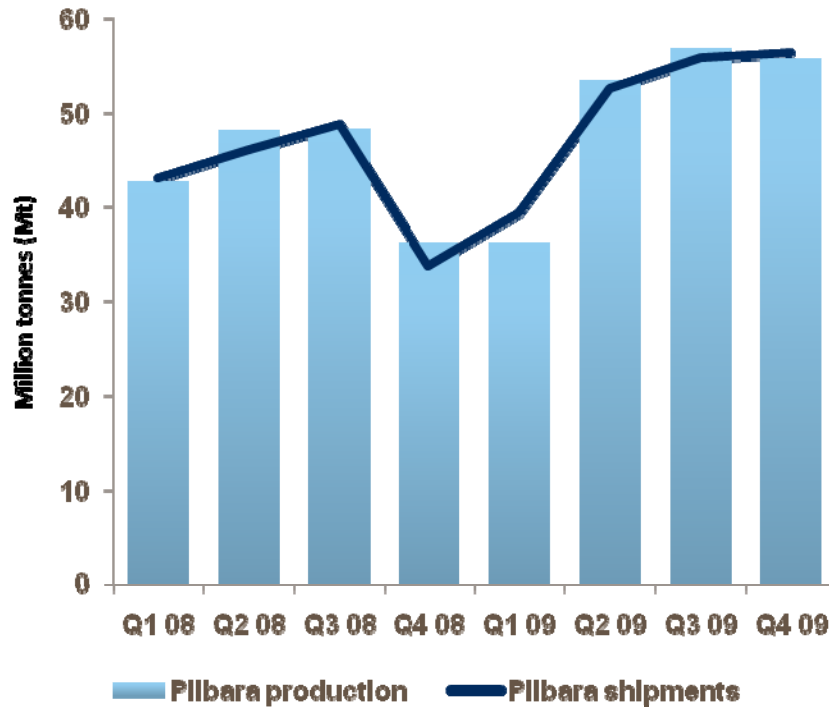


*On a 100% commitment basis

Note: For year 2000, Robe River production is with effect from 11 Aug 2009, the effective date of acquisition.

Records were set in the Pilbara in 2009

Pilbara iron ore production & sales



* All figures 100% basis

Source: Rio Tinto quarterly operations review

- Operations recovered quickly from the heavy rainfalls in Q1 2009
- Record full year production of 202 Mt in 2009, up 15% from 2008
- Record full year sales of 204 Mt in 2009, up 19% from 2008
- Consistently producing at above nameplate capacity of 220 Mt/a for much of H2 2009
- Three billionth tonne exported from the Pilbara in September 2009
- Broke 50 Mt mark for annual production at the Yandicoogina mine in late December 2009

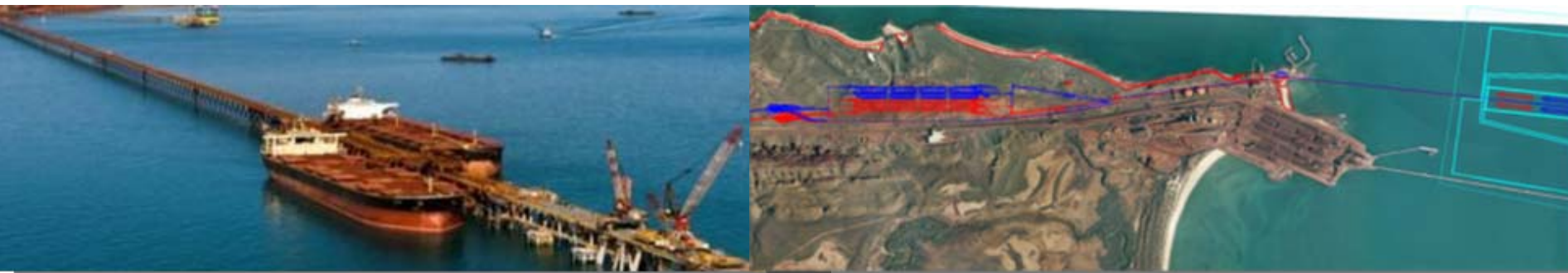
Pilbara: Building on world class assets

Incremental steps at Dampier Port add considerable value...

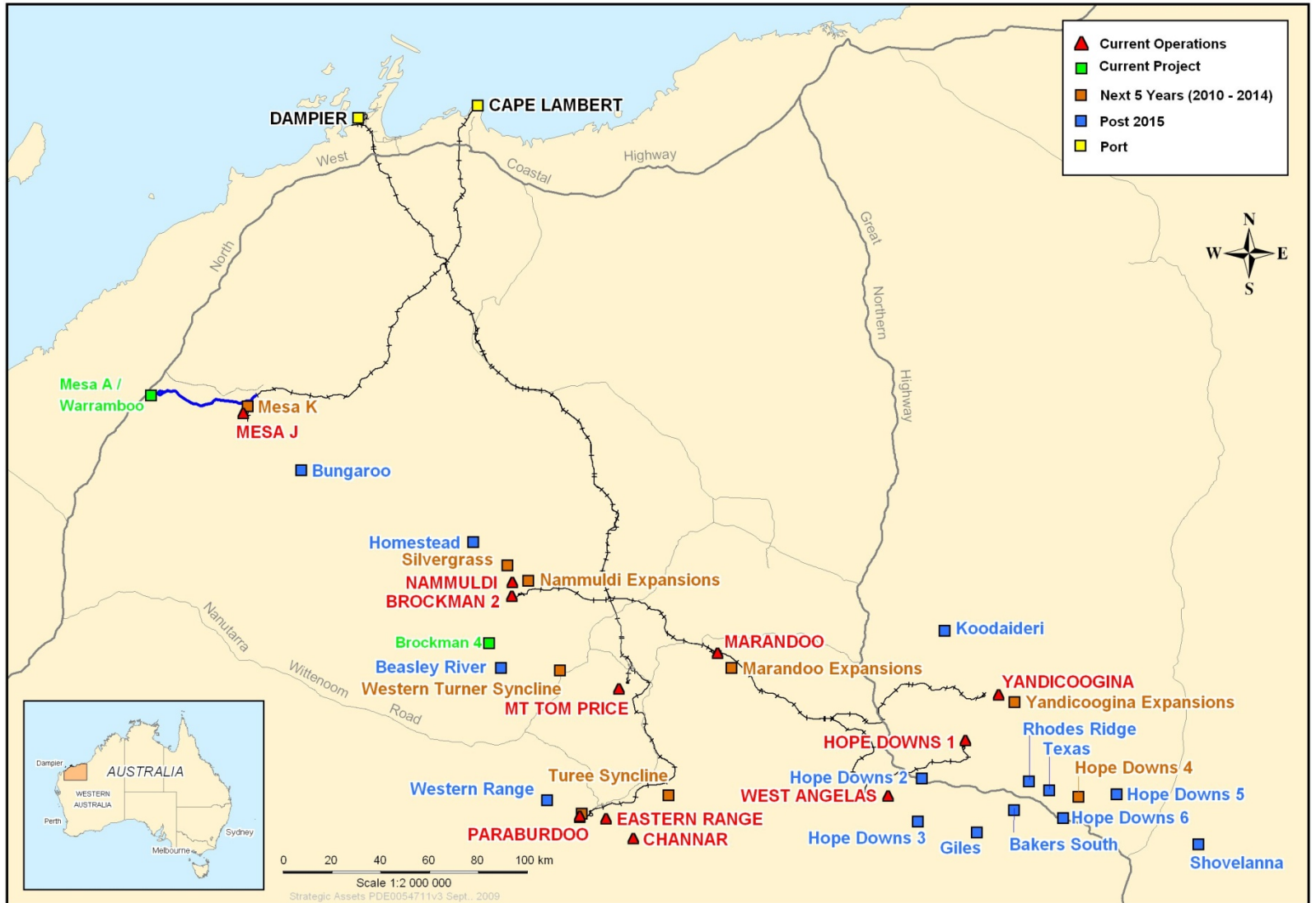
- Dampier Port de-bottlenecking
 - +5 Mt by Q1 2011, increasing total system capacity to 225 Mt/a
- Dampier Port Incremental
 - +5 Mt/a by Q2 2012, increasing total system capacity to 230 Mt/a

...but the 'keys' to Pilbara 330 Mt/a remains Cape Lambert

- Cape Lambert port:
 - cost savings due to re-design and scope changes
 - +100 Mt in two 50 Mt increments
 - complete studies by end of 2010
 - first 50 Mt by end of 2013 and second 50 Mt by end of 2015



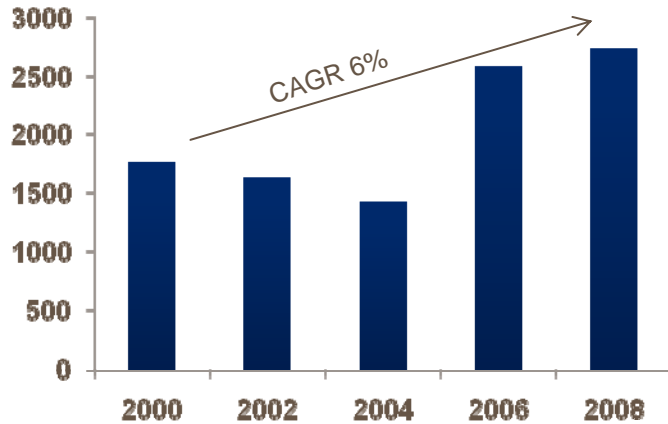
Mine developments to support 330Mt/a



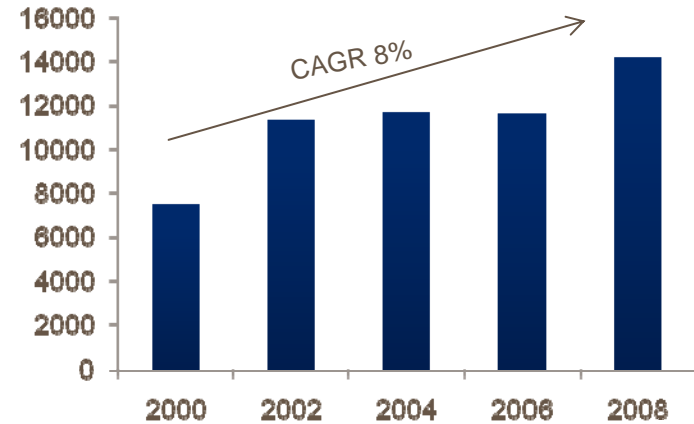
Source: Rio Tinto
 23 March 2010

Continuing to grow our resource base

Rio Tinto Pilbara iron ore reserves*



Rio Tinto Pilbara iron ore resources**

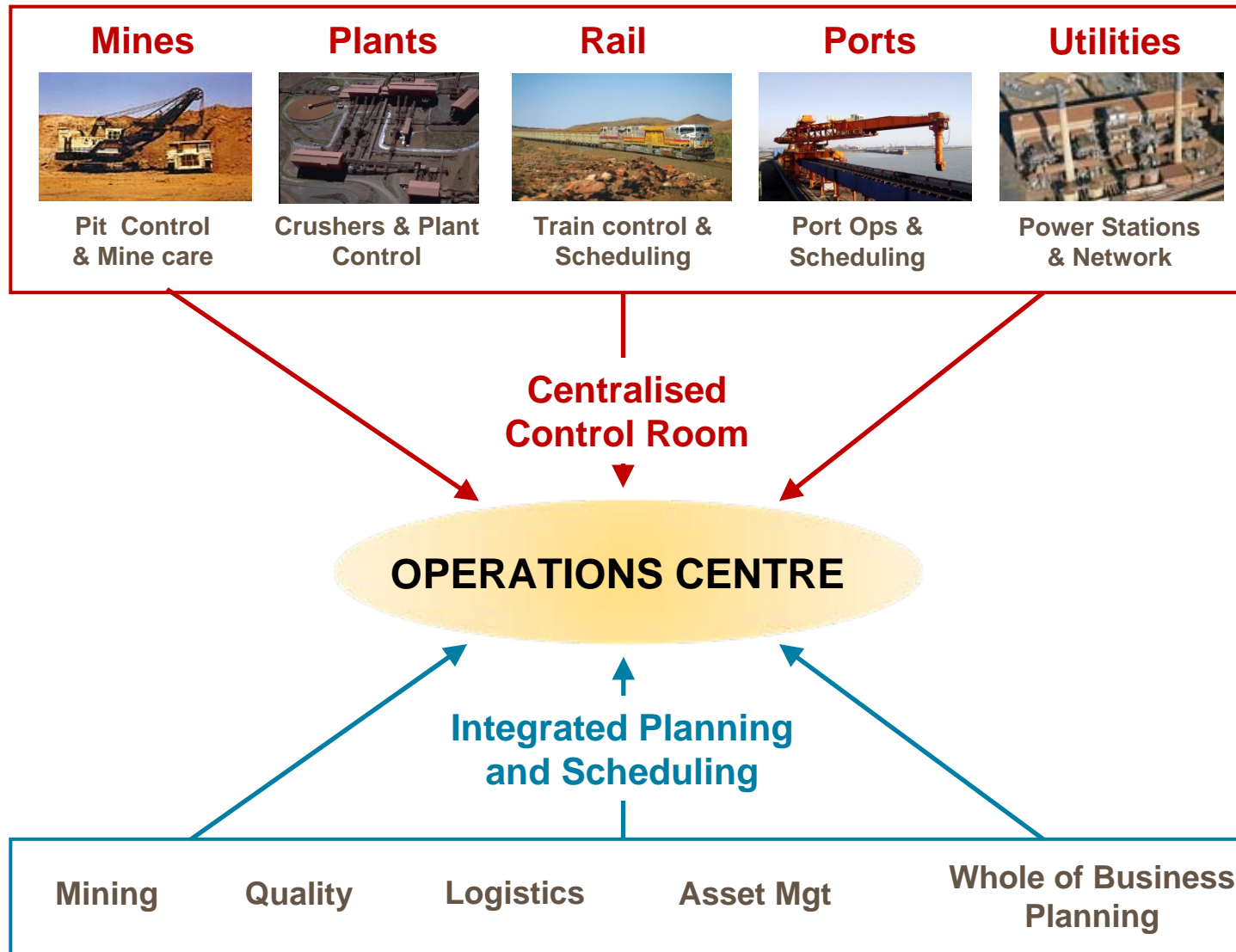


- Significant drilling programs continuing as part of supplementing Pilbara resource base
- 400,000 metres of drilling is forecast each year from 2010 to 2014
- Approved resources are being converted into recoverable and viable reserves
- Over 2.8 million metres have been drilled since 2001
- Provides options for future growth

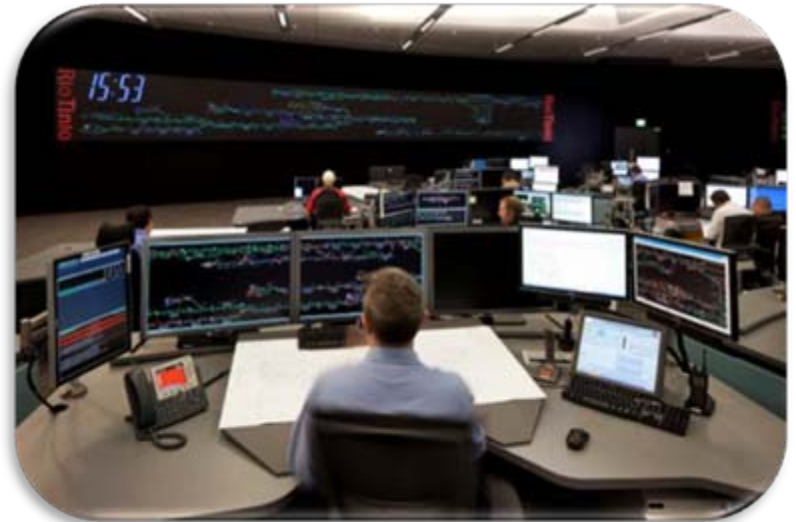
* Reported on a 100% basis. 2000-2008 Reserve increase 977 Mt, CAGR 5.7%; ** Reported on a 100% basis. 2000 -2008 Resource increase 6,730 Mt, CAGR 8.4%.

Source: 2000 to 2008 Rio Tinto annual reports

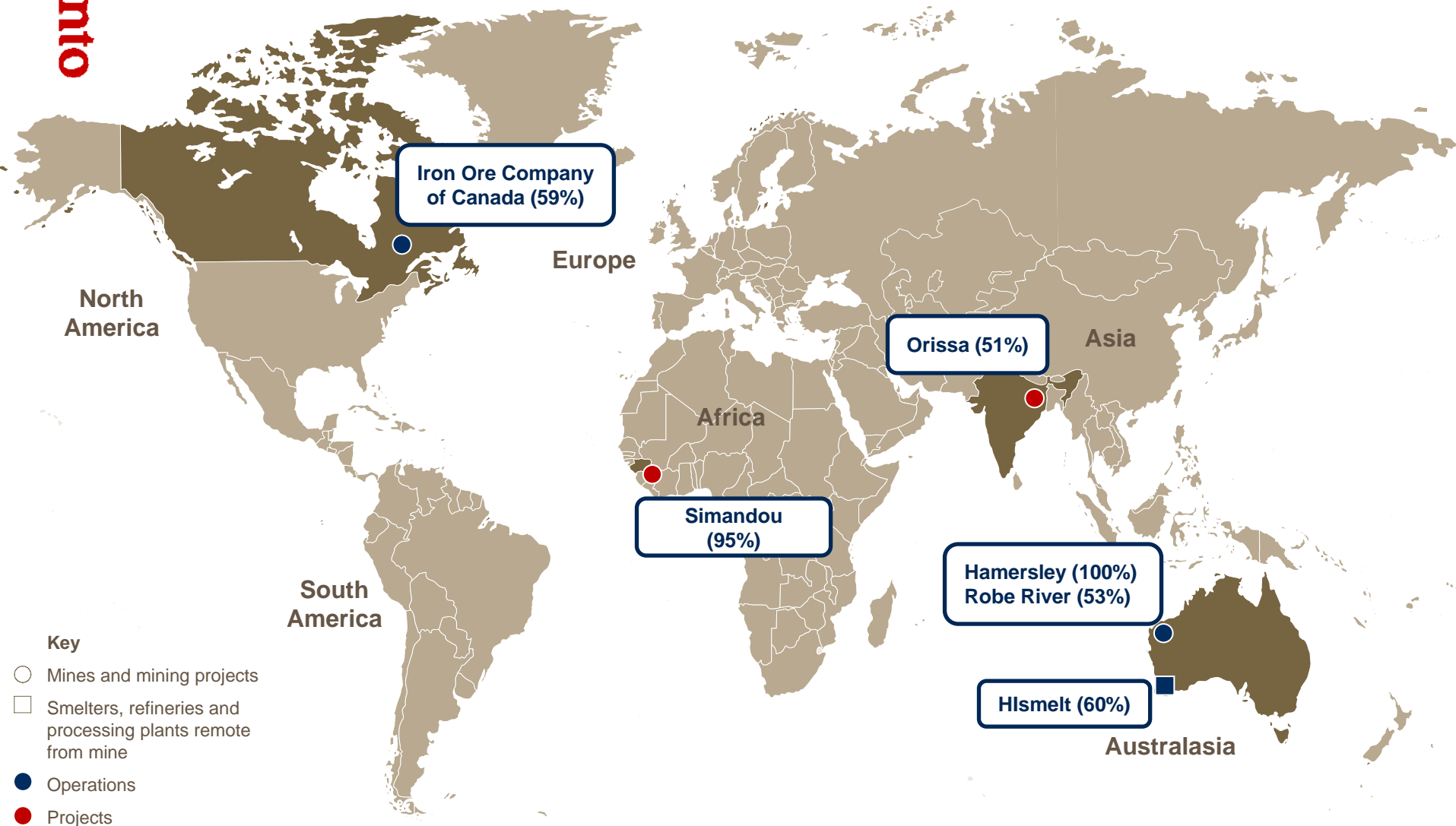
Operations Centre



Operations Centre Control Room



A global supply strategy



Working with customers

Product strategy

Simplified product offerings aligned with resource base – Pilbara Blend

Benefits for customers

- ✓ reliable, long-term supply
- ✓ stable product quality, lower variability
- ✓ lower risk profile

Benefits for Rio Tinto

- ✓ optimised operations; improved efficiency
- ✓ products aligned with resource base
- ✓ better utilisation of expanding asset base

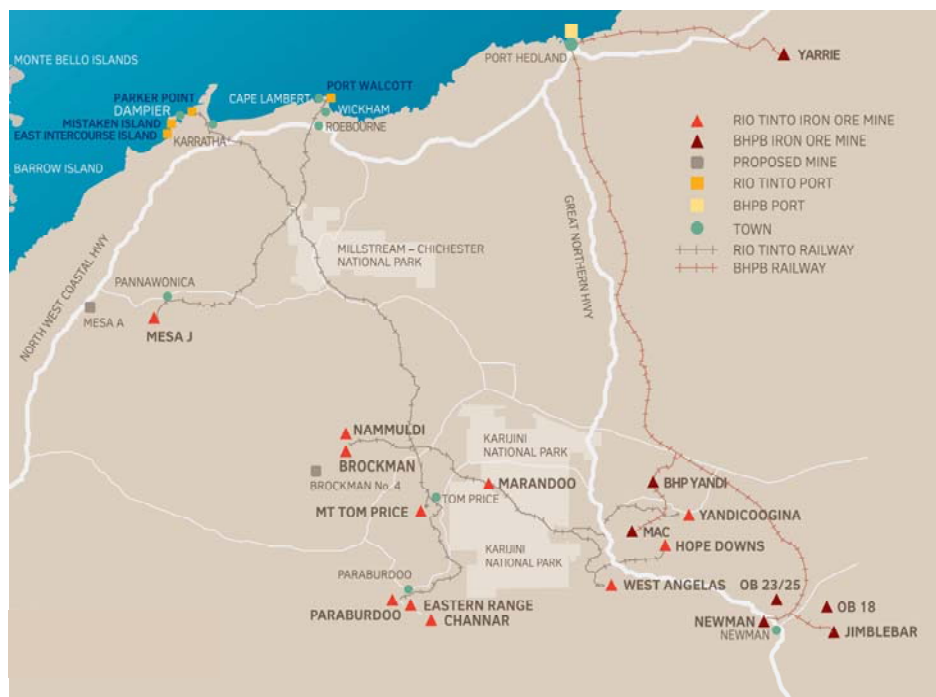
Balanced portfolio

Continue to support the benchmark system if it reflects market fundamentals

- ✓ Proposed future pricing portfolio will continue to respond to market dynamics and customer needs
- ✓ Variety of sales channels and pricing mechanisms
- ✓ LTC, spot, auctions, traders, brokers, index
- ✓ Achieve best price outcomes in line with product mix and grades

Production joint venture with BHP Billiton to capture +\$10 billion in synergies...

- Binding agreements signed on 5 Dec 2009
- Senior executive team announced Feb 2010
- Regulatory approvals



Synergies anticipated from:

- Combining mines into single operations
- More efficient rail routes and allocations of port capacity
- Blending opportunities to maximise product recovery
- Optimising future growth opportunities
- Combining management, procurement and general overhead activities

Sources: Rio Tinto and BHP Billiton public releases

Some issues to deal with...

- Industrial relations
- Native Title legislations
- Rail access and haulage provisions
- Henry Tax Review and increased royalties
- Greenhouse gas emissions