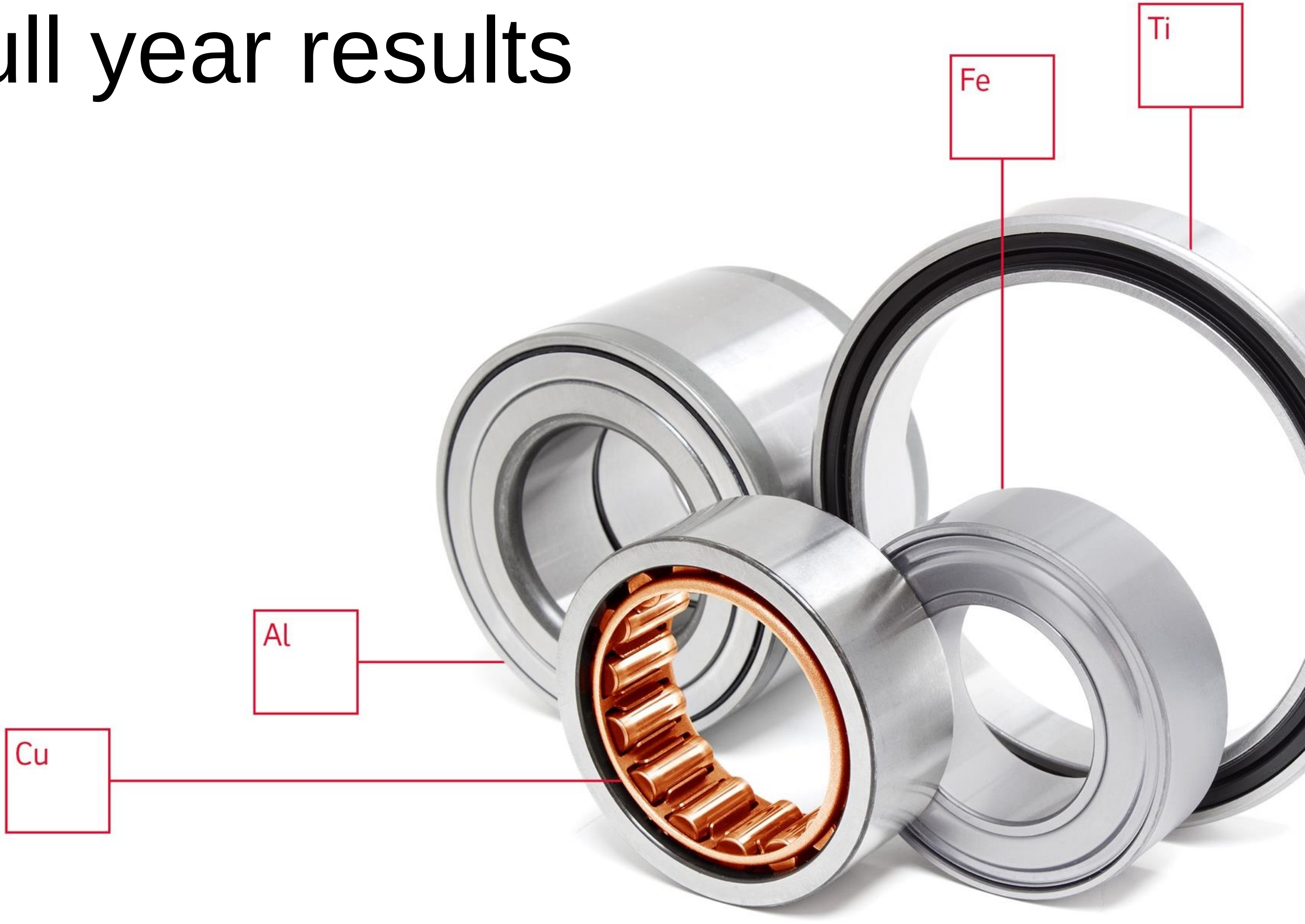
Rio Tinto

2015 full year results



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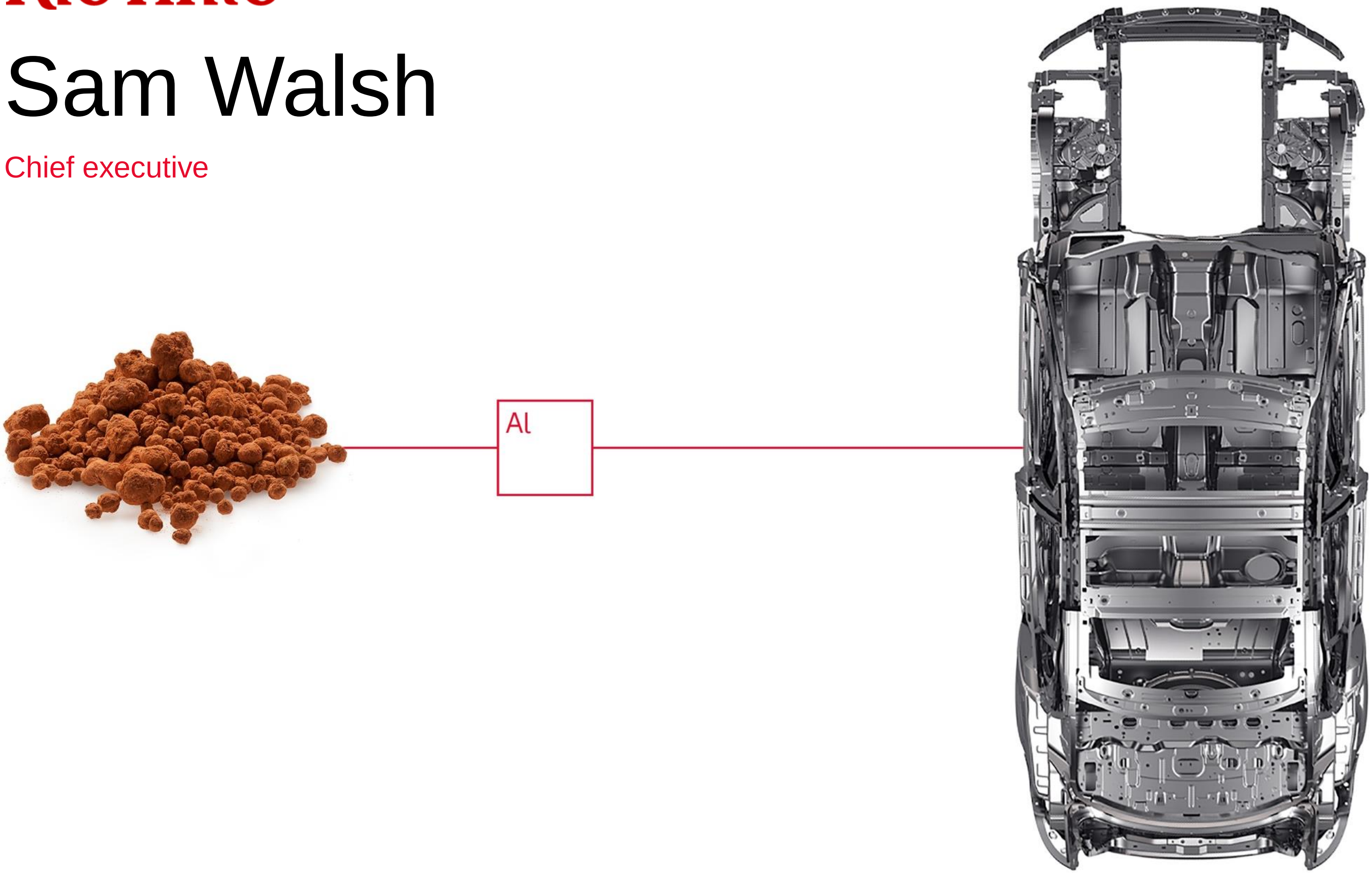
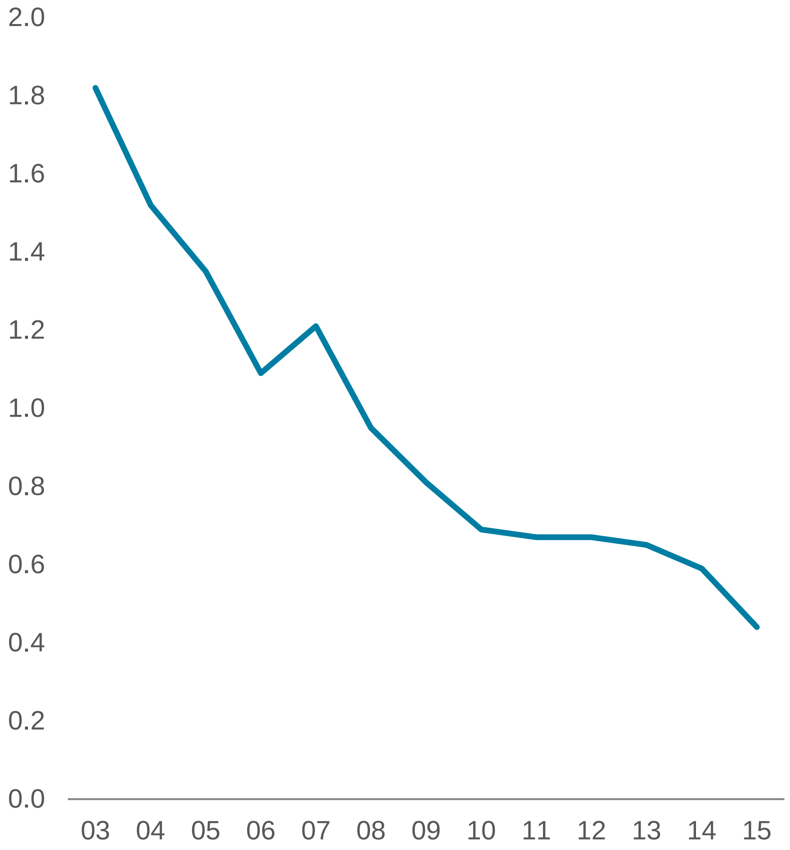
Sam Walsh

Chief executive



Safety and our values are fundamental

All injury frequency rates
Per 200,000 hours worked



Accountability
- Relentless pursuit of shareholder value
- Disciplined decision-making

Respect
- For the environment and communities
- For health, safety and wellbeing

Integrity
- Transparency in what we do
- Fairness, honesty and openness

Teamwork
- Long-term partnerships
- Continuous improvement

Continued delivery of our promises in 2015

Underlying earnings of $4.5 billion

Net cash from operating activities of $9.4 billion

Reduced costs by $1.3 billion and working capital by $1.5 billion

Reduced capex spend to $4.7 billion

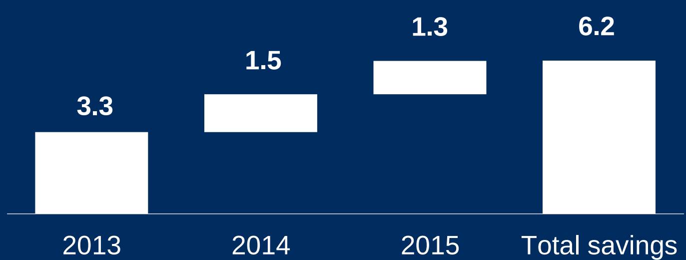
Returned $6.1 billion of cash to shareholders

Strong balance sheet with net debt of $13.8 billion

Full year 2015 dividend of 215 cents per share

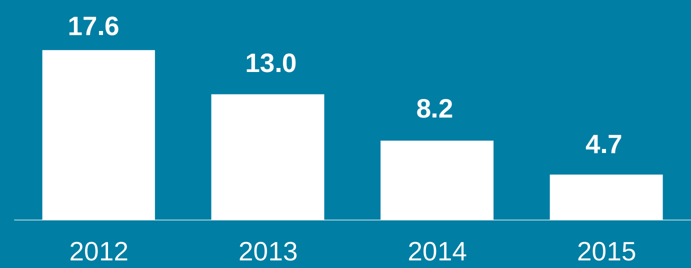
Rio Tinto has taken decisive early action…

Reduced costs



Operating, exploration & evaluation cost reductions achieved by 31 December 2015 vs 2012 base

Decreased capex



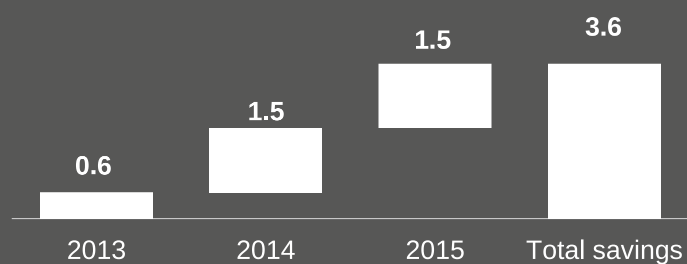
Total capital expenditure in each year

Recycling capital via divestments

$4.7bn

Divestments announced or completed since January 2013

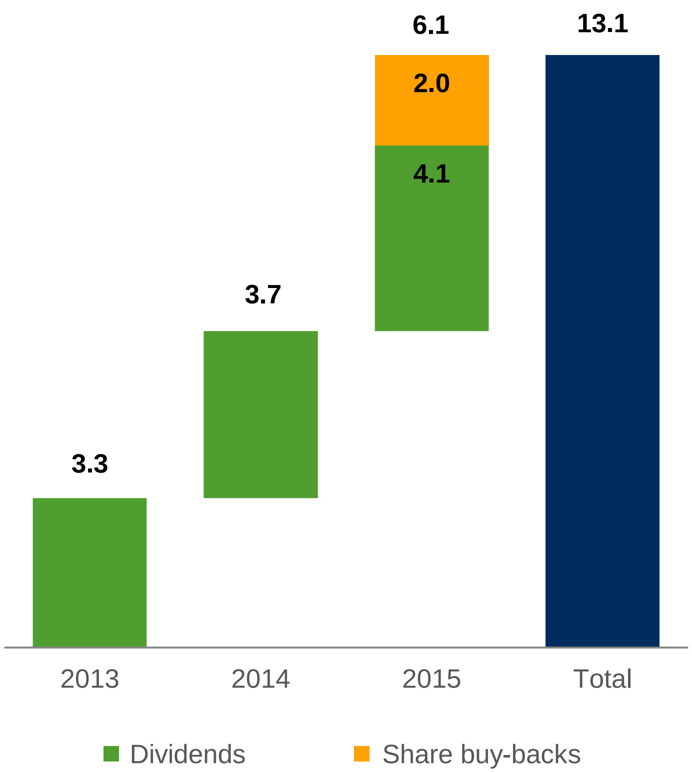
Released working capital



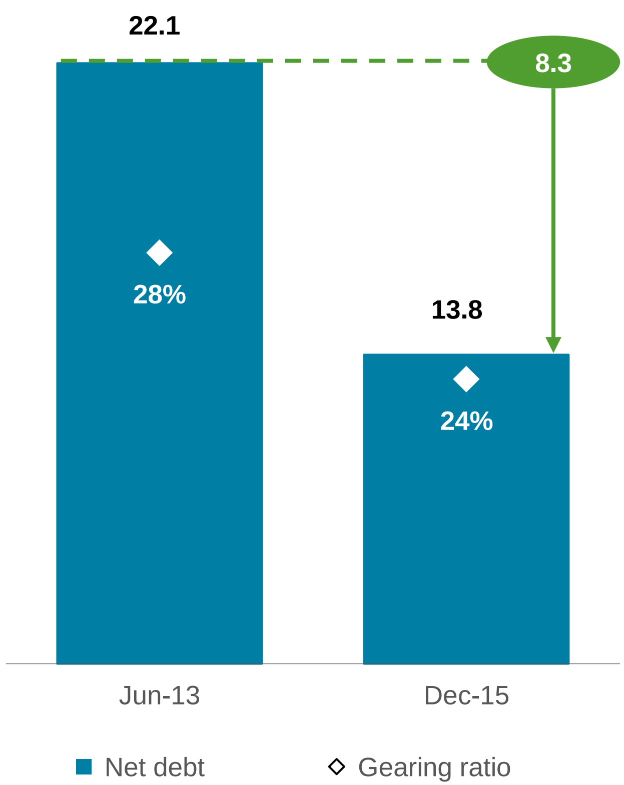
Working capital cash release achieved on 31 December 2015 vs 2012 base

…which has enabled returns to shareholders, strengthened the balance sheet…

Shareholder returns
US$ billion



Net debt and gearing ratio[1]
US$ billion



[1] Gearing ratio = net debt/ (net debt + book equity).

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… and maintained 34% Group EBITDA margins

Iron Ore

- Pilbara operating FOB EBITDA margins of 60%
- Cash flows from operations of $6,061m and free cash flow of $4,335m
- Underlying earnings of $3,952m

Aluminium

- Integrated operating EBITDA margins of 31%
- Cash flows from operations of $2,413m and free cash flow of $817m
- Underlying earnings of $1,118m

Copper & Coal

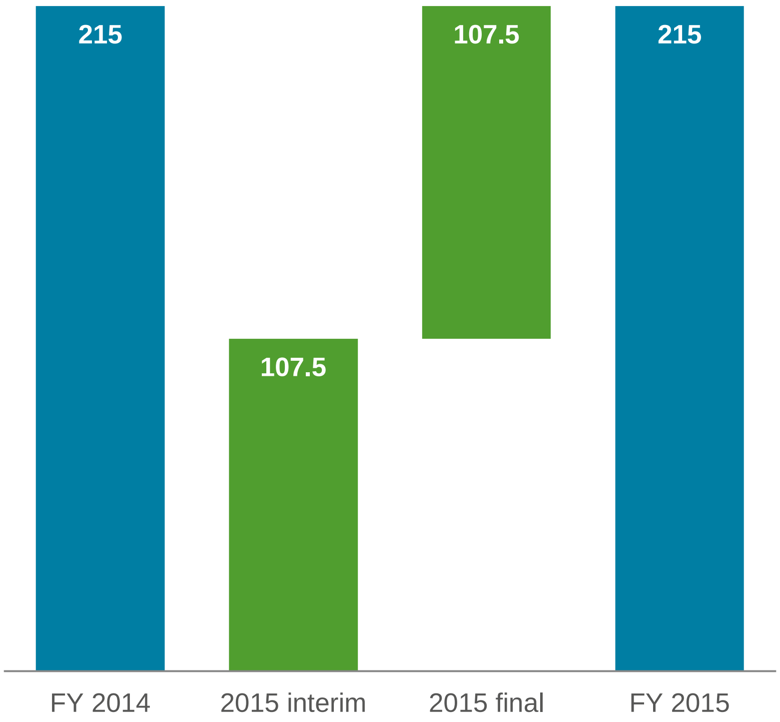
- Copper operating EBITDA margins of 34% and 18% in Coal
- Cash flows from operations of $1,775m and free cash flow of $1,008m
- Underlying earnings of $274m

Diamonds & Minerals

- Operating FOB EBITDA margins of 29%
- Cash flows from operations of $1,010m and free cash flow of $554m
- Underlying earnings of $189m

Full year dividend maintained year-on-year

Dividends declared per share
US cents

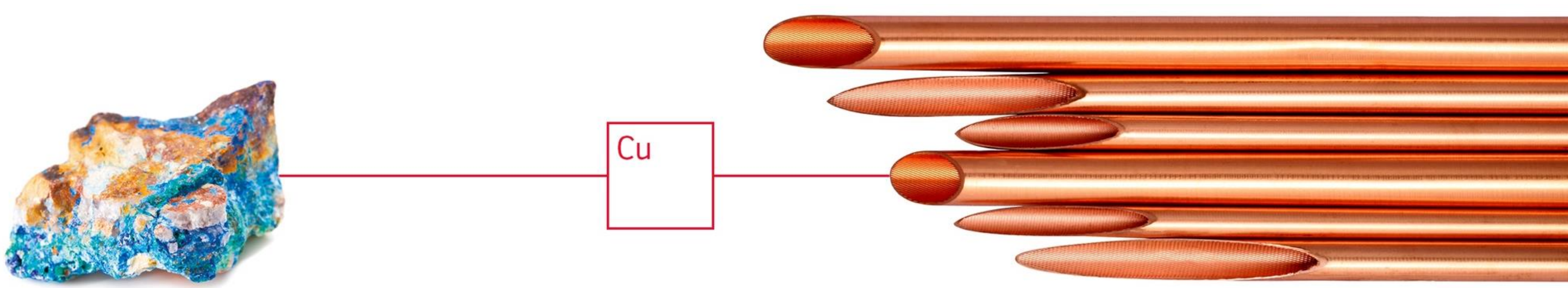


- Final dividend of 107.5 cents per share declared by the board
  - To be paid in April 2016
- Total full year 2015 dividend declared of 215 cents per share
  - In pounds, equates to 6% increase
  - In Australian dollars, equates to 16% increase

Rio Tinto

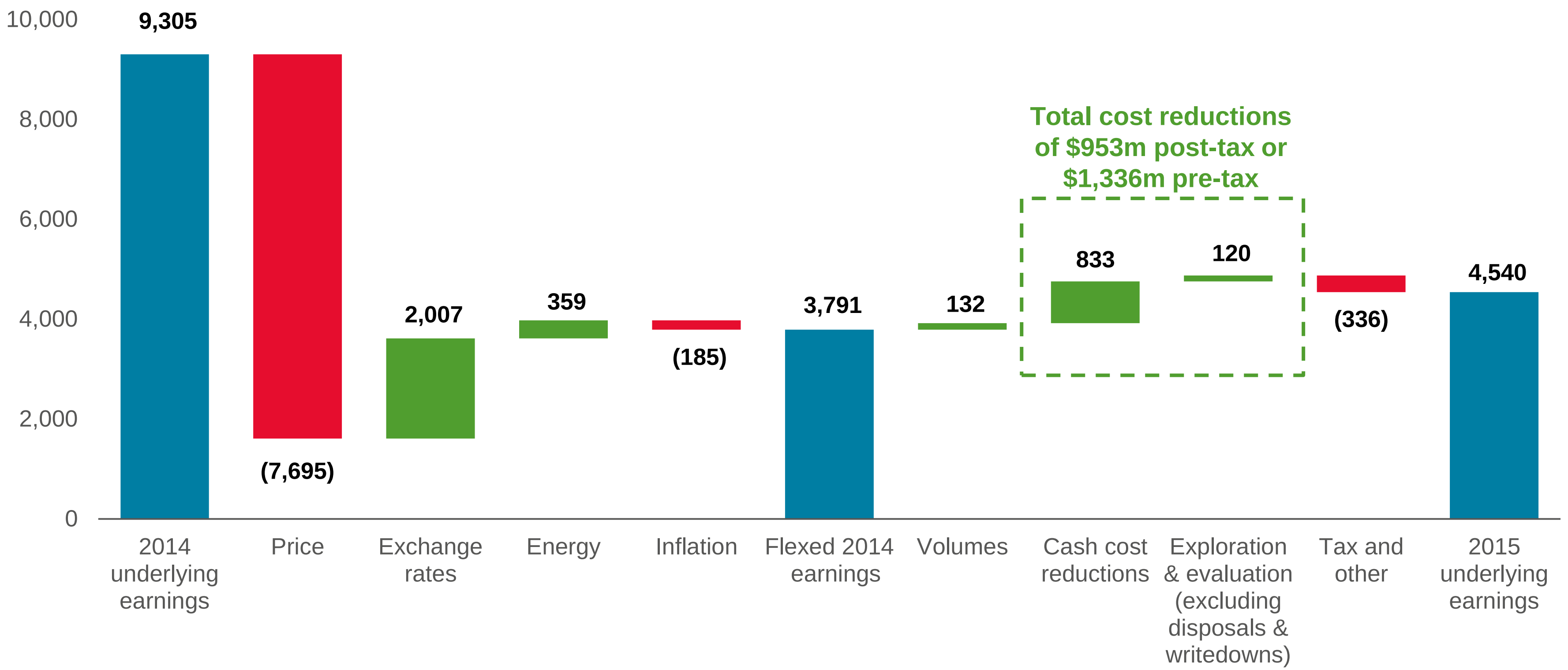
Chris Lynch

Chief financial officer



Prices reduced earnings by over 80%, partially offset by exchange, energy and management actions

Underlying earnings 2014 vs 2015
US$ million (post tax)



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Net earnings

	US$m
2015 underlying earnings	**4,540**
Impairments	(1,802)
Losses/gains on disposals	48
Exchange losses on debt and derivatives	(3,282)
Increased closure provision for legacy operations	(233)
Restructuring costs and global headcount reductions	(258)
Other	121
2015 net earnings/(loss)	**(866)**

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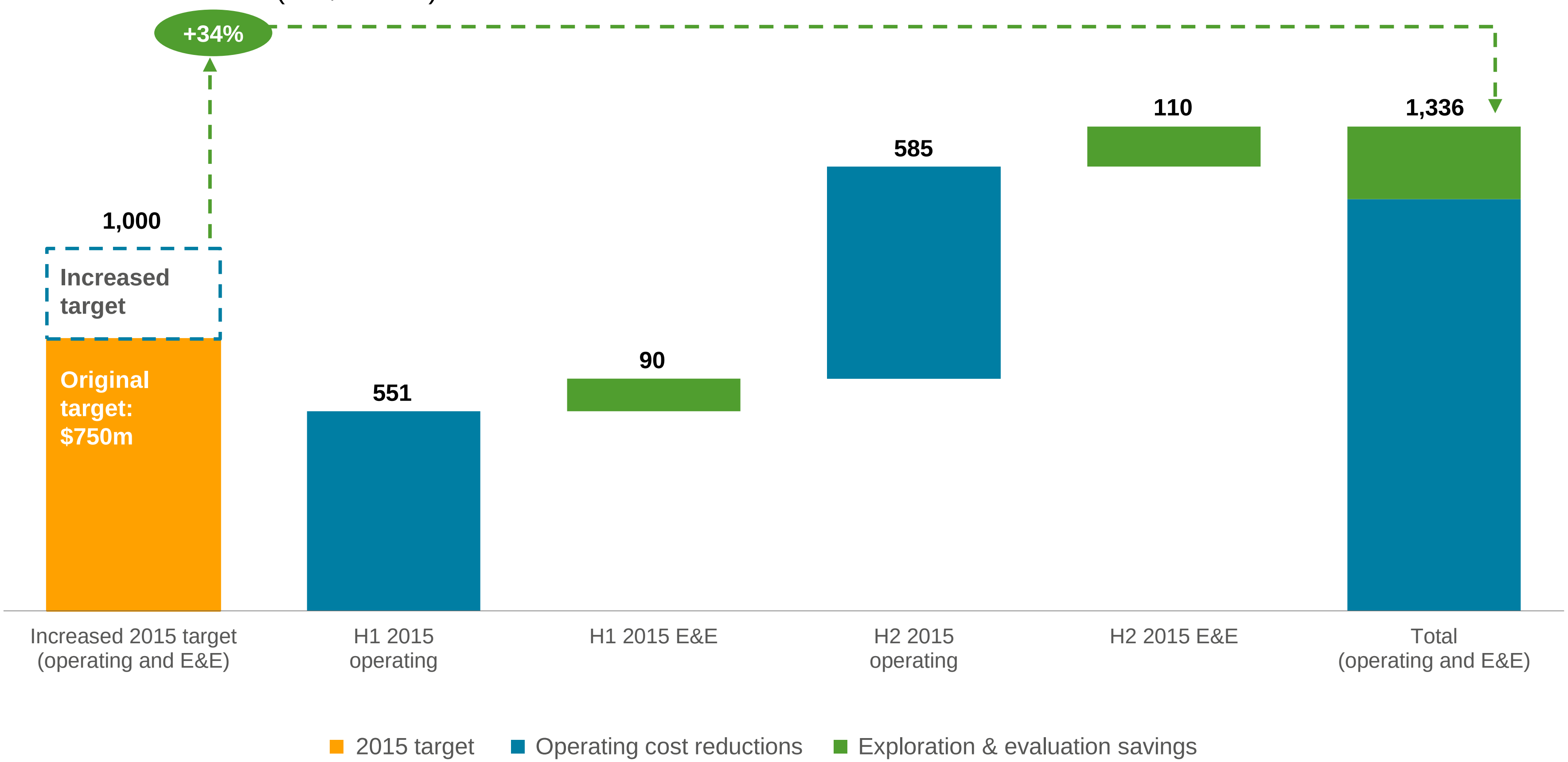
Continued focus on costs generating significant savings in 2015

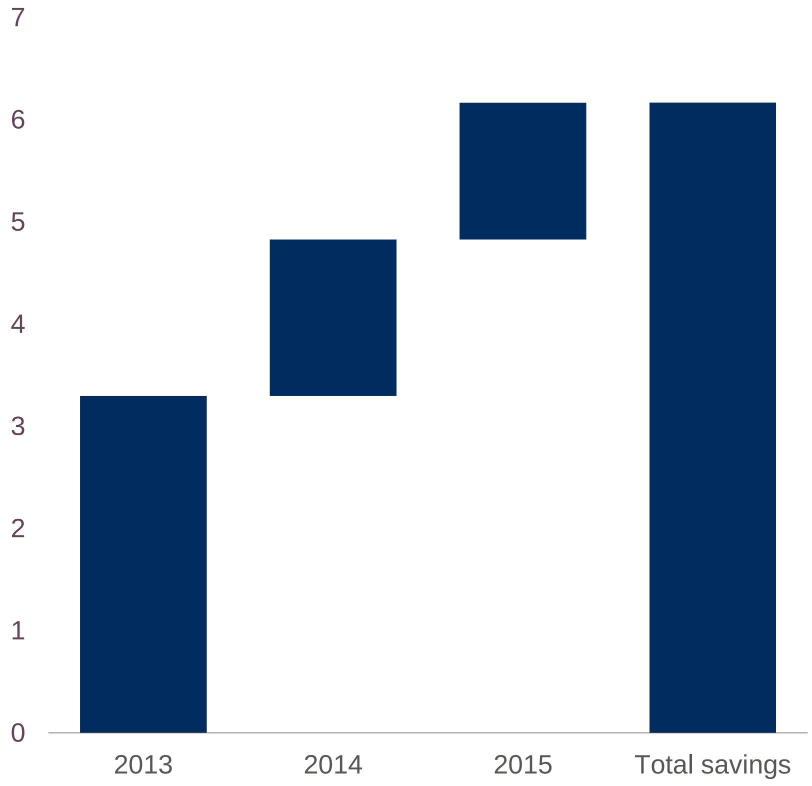
Pre-tax operating cash cost improvements

Reduction vs. 2014 (US$ million)



Achieved $6.2 billion of cost reductions against 2012 base

Pre-tax operating cash cost improvements
Reduction vs. 2012 (US$ billion)

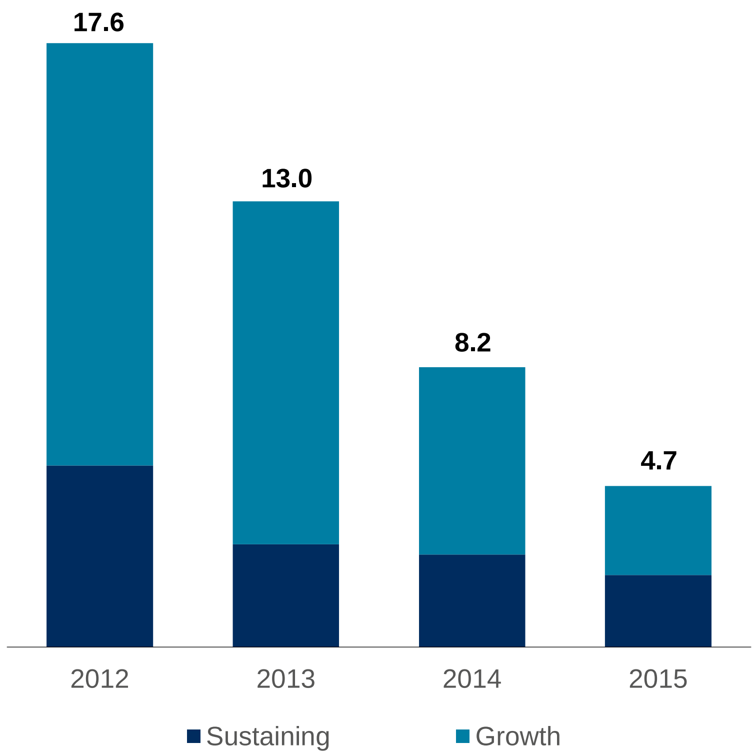


Note: Includes operating, exploration & evaluation cost reductions achieved by 31 December 2015 vs 2012 base.

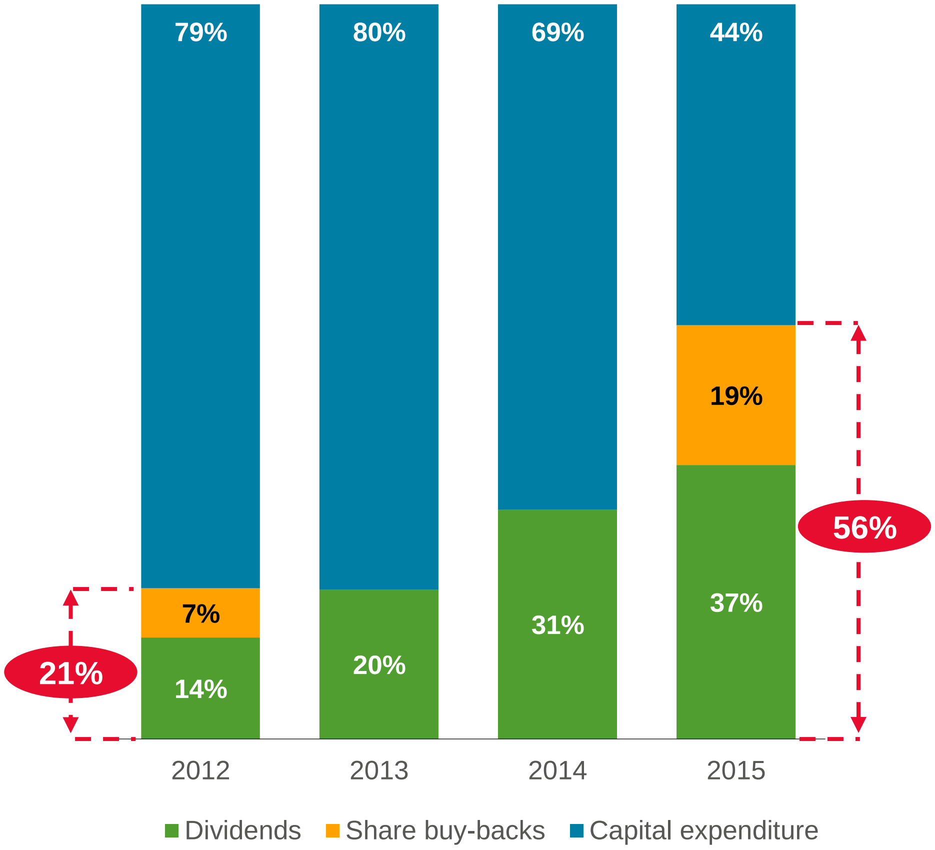
- Cost performance helped deliver a 2015 EBITDA margin of 34% (39% in 2014)
- Strong delivery across all Product Groups
- Cost culture embedded across the entire organisation
- Excludes the impact of favourable exchange rates and lower oil prices

Track record of balanced capital allocation

Demonstrable capital discipline
US$ billion

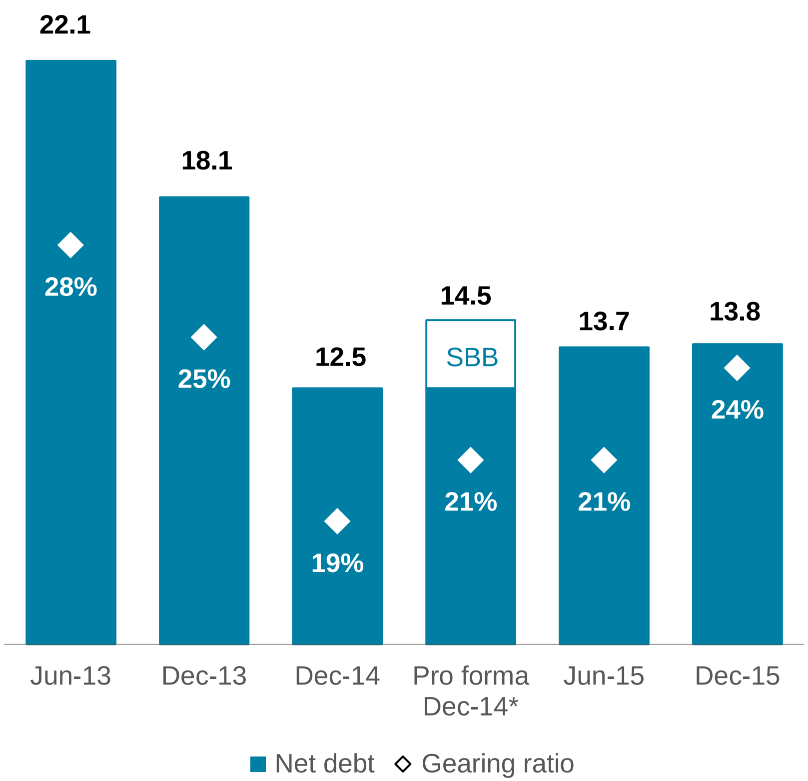


Leads to more balanced allocation
Capital to cash returns to shareholders (Percentage)



Low net debt levels keep gearing ratio at the lower end of our guidance range

Net debt and gearing ratio[1]
US$ billion

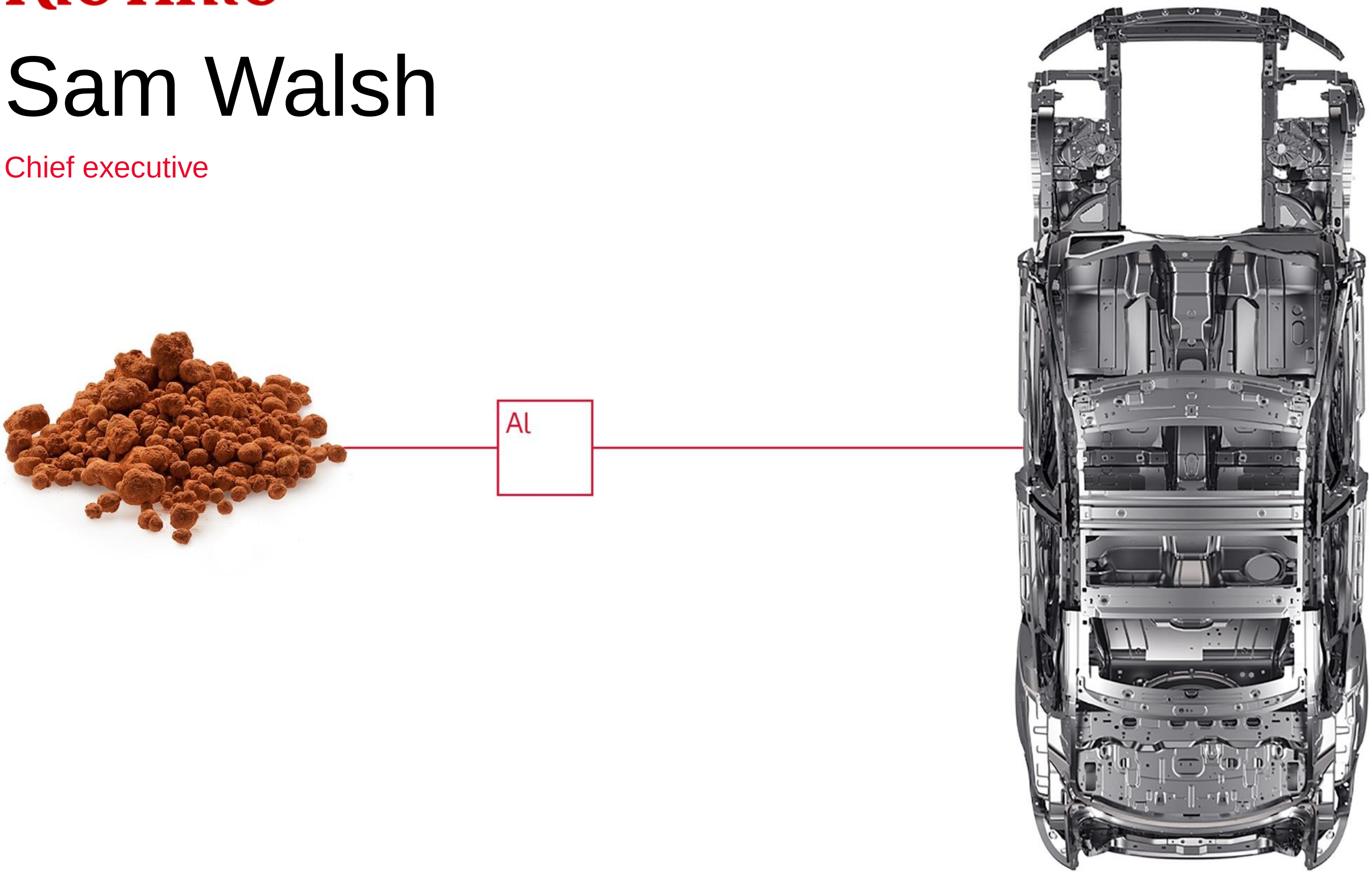


[1] Gearing ratio = net debt/ (net debt + book equity).
* Post 2015 $2 billion share buy-back.

- $2 billion share buy-back completed funded from 2014 cash flows
- Net debt levels almost flat half-on-half in 2015, despite buy-back
- $9.4 billion of cash on hand as at 31 December 2015
- Targeting 20-30% gearing ratio through the cycle
  - Net gearing impacted by exchange movements and impairments
  - Remains in lower half of target gearing range
- Strong balance sheet remains a competitive advantage

Sam Walsh

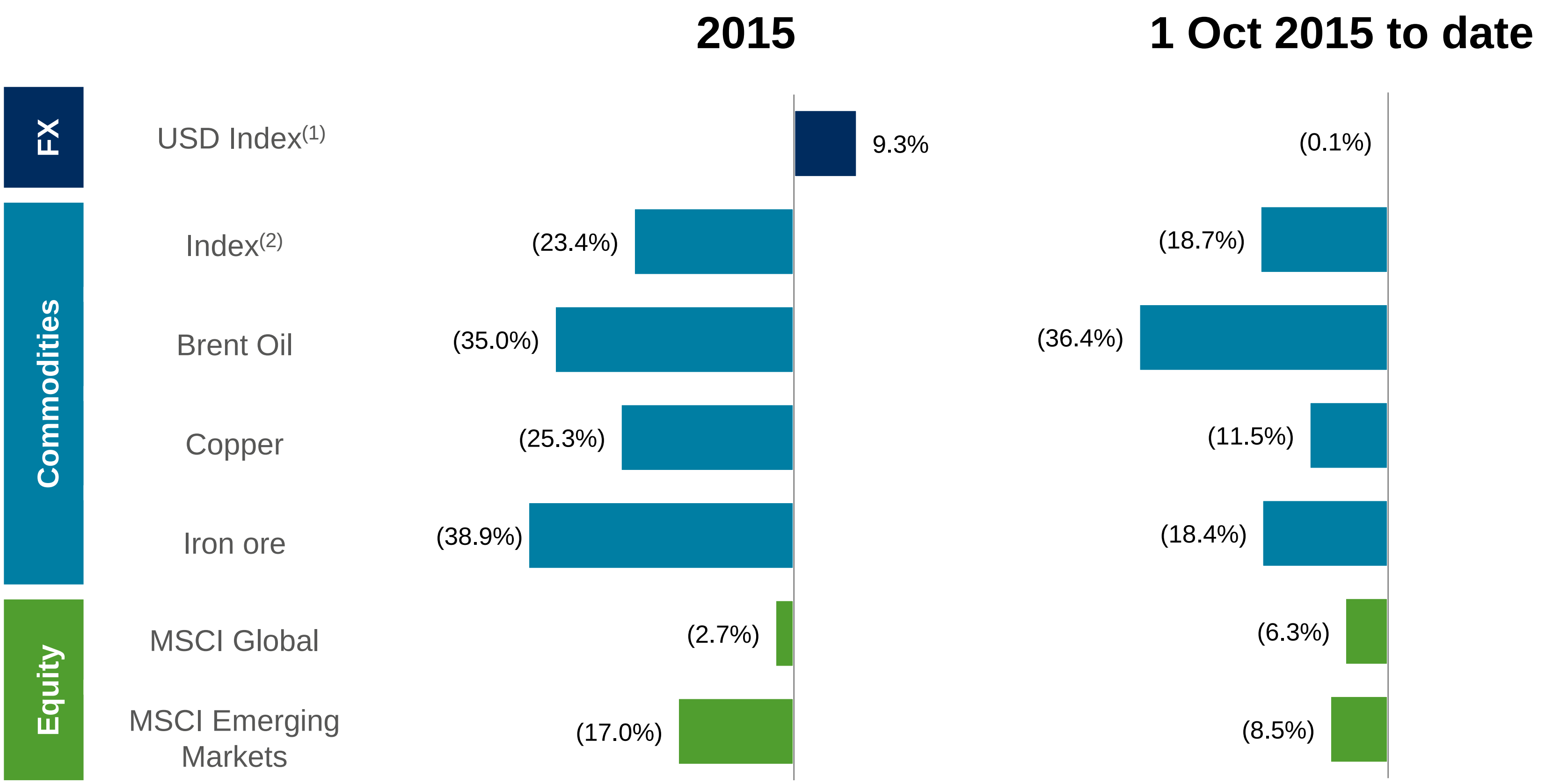
Chief executive



Preserving and creating value

Long-life, low-cost and expandable assets Strong cash flow generation throughout the cycle from our key commodities	**Commercial excellence** Strong customer relationships, high quality benchmark products, technical marketing and value-in-use pricing
Operating excellence Leadership in technology and productivity drives a sustainable and competitive cost position	**Strong and efficient balance sheet** Sustainable shareholder returns and value-adding growth

There has been a significant deterioration in the macro environment…



Prices up to close of business on 9 February 2016. (1) Bloomberg index comparing USD to a basket of 10 global currencies. (2) Thomson Reuters CRB Commodity Index. Source: Bloomberg

…so further pre-emptive actions are required to protect shareholder value

Operating and commercial excellence	Capital allocation discipline
Reduce costs	**Additional capex reductions**
by **$2bn**	by **$3bn**
$1 billion in 2016 and a further $1 billion in 2017	**over 2016 and 2017 against previous guidance**
Operating, exploration & evaluation cost reductions compared to 2015 base	Previous capex guidance of $5 billion in 2016 and $7 billion in 2017

New dividend policy and capital allocation commitment

At the end of each financial period, the board will determine an appropriate total level of ordinary dividend per share, taking into account the results for the financial year, the outlook for our major commodities, the board's view of the long-term growth prospects of the business and the Company's objective of maintaining a strong balance sheet. The intention is that the balance between the interim and final dividend is weighted to the final dividend.

The board expects total cash returns to shareholders over the longer term to be in a range of 40-60% of underlying earnings in aggregate, through the cycle.

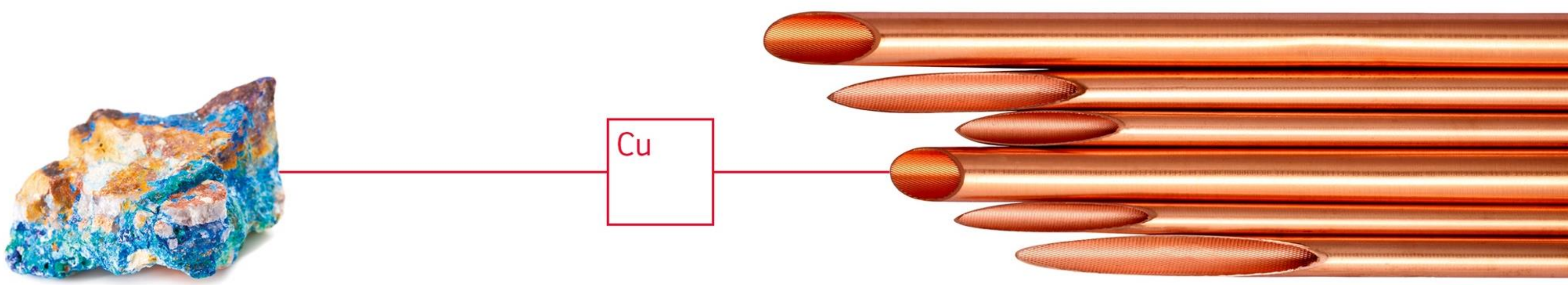
The board is committed to maintaining an appropriate balance between cash returns to shareholders and investment in the business, with the intention of maximising shareholder value. Acknowledging the cyclical nature of the industry, in periods of strong earnings and cash generation, it is the board's intention to supplement the ordinary dividends with additional returns to shareholders.

- Progressive policy replaced with new dividend policy
- Balance between interim and final to be weighted towards the final dividend
- New capital allocation commitment
  - Balance between cash returns and investment
  - Target total cash returns to shareholders of 40%-60% of underlying earnings through the cycle
- Intention for 2016 full year dividend of not less than 110 US cents per share

Rio Tinto

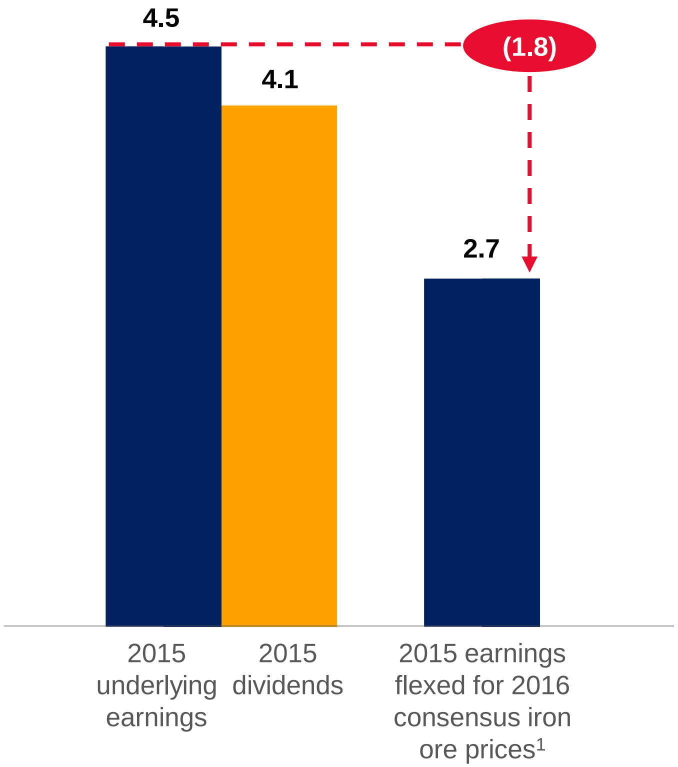
Chris Lynch

Chief financial officer



Current volatility demands further pre-emptive actions

2015 underlying earnings flexed for iron ore prices
US$ billion

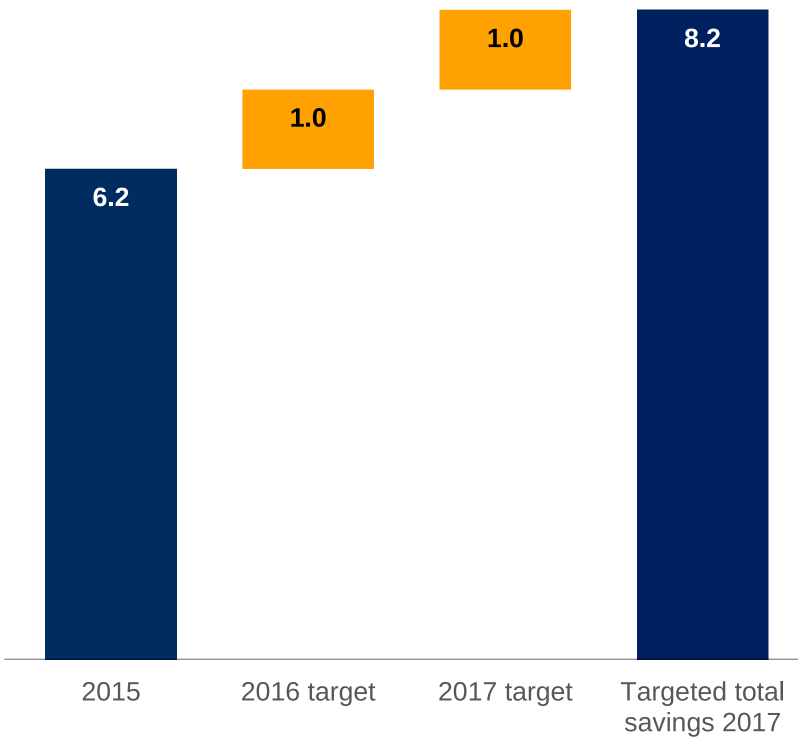


- Macro, market and commodity weakness
- Reduces outlook for near-term cash flows
- Dividends sustainability determined by earnings and cash flows
- Further pre-emptive action required
  - Maintains strength of the business
  - Foundation of sustainable shareholder value creation

[1] 2015 underlying earnings flexed using Rio Tinto's published earnings sensitivity for iron ore based on consensus analyst estimates published on Rio Tinto's website on 1 February 2016. See disclaimer on slide 2.

Targeting a further $2 billion reduction in costs

Pre-tax operating cash cost improvements
Reduction vs. 2012 (US$ billion)

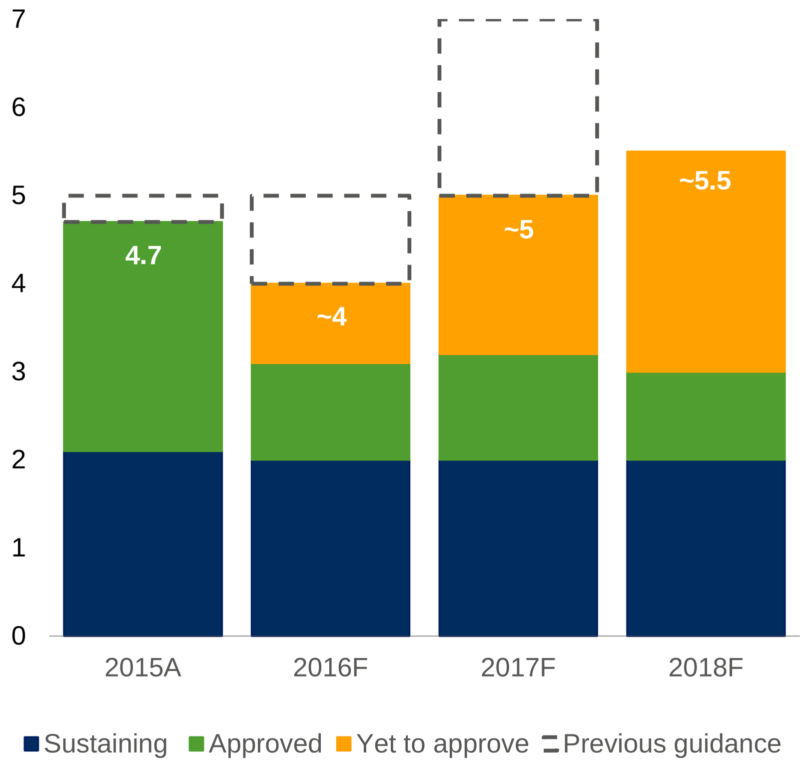


Note: 2015 figure is operating, exploration & evaluation cost reductions achieved by 31 December 2015 vs 2012 base.

- Achieved $6.2 billion in operating, exploration and evaluation costs since 31 December 2012
- Cost culture embedded across the entire organisation
- Setting an additional $2 billion cost target:
  - $1 billion in 2016; and
  - Further $1 billion in 2017
- Excludes the impact of favourable exchange rates and lower oil prices

Further $3 billion capex reduction to preserve capital and sustain operations

Capital expenditure profile
US$ billion[1]



[1] Forecast capex is subject to variation in future exchange rates. Capex numbers are gross and not net of disposals.

- Completed two projects in 2015
- 2016 capex reduced by a further $1 billion to around $4 billion
- 2017 capex reduced by $2 billion to ~$5 billion from previous $7 billion
- Low capital paths being pursued with spend focused around key projects:
  - Silvergrass
  - Amrun
  - Oyu Tolgoi Underground

Our capital allocation framework

1. Essential sustaining capex

2. Ordinary dividends

3. Iterative cycle of

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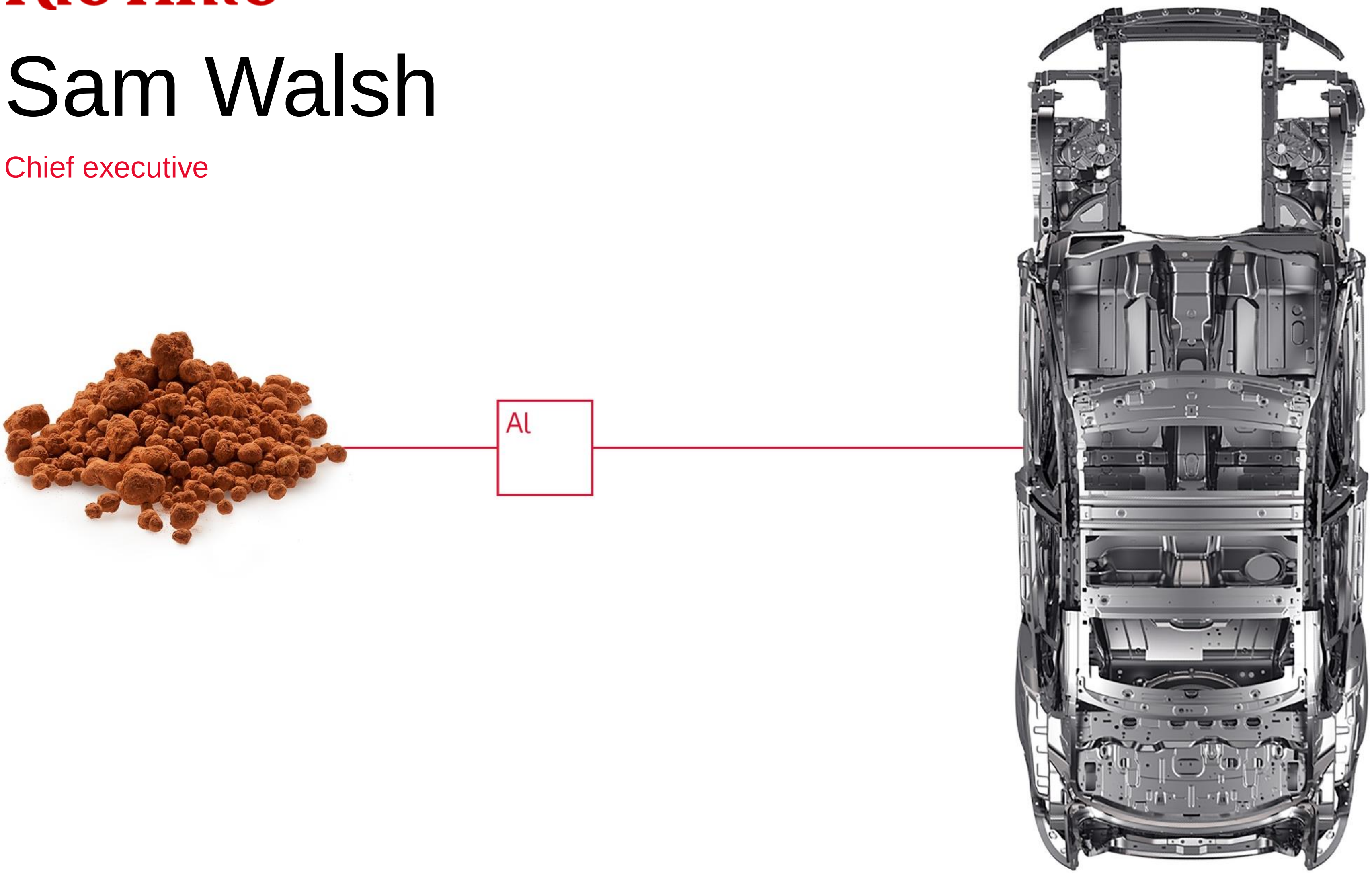
RioTinto

Sam Walsh

Chief executive



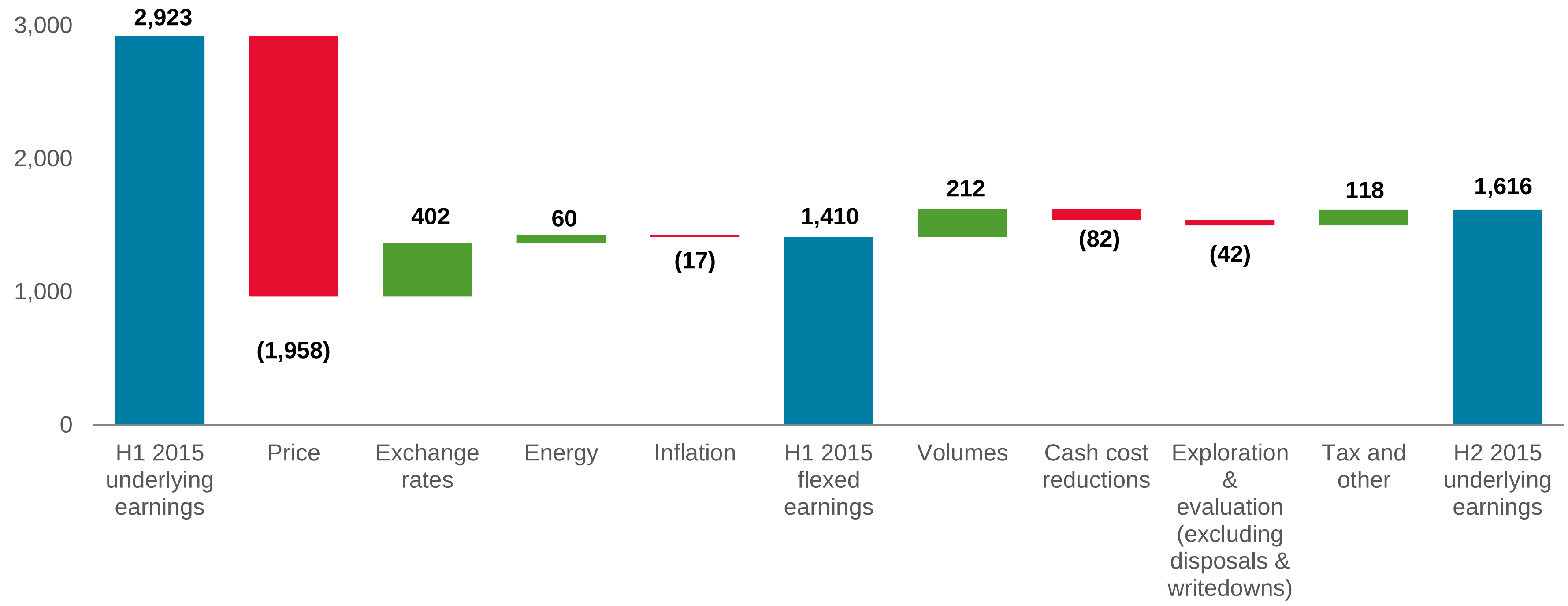
Preserving and creating shareholder value

RioTinto

2015 full year results

Exchange rates, lower energy costs and volumes partially offset impact of lower prices

Underlying earnings H1 2015 vs H2 2015
US$ million (post tax)



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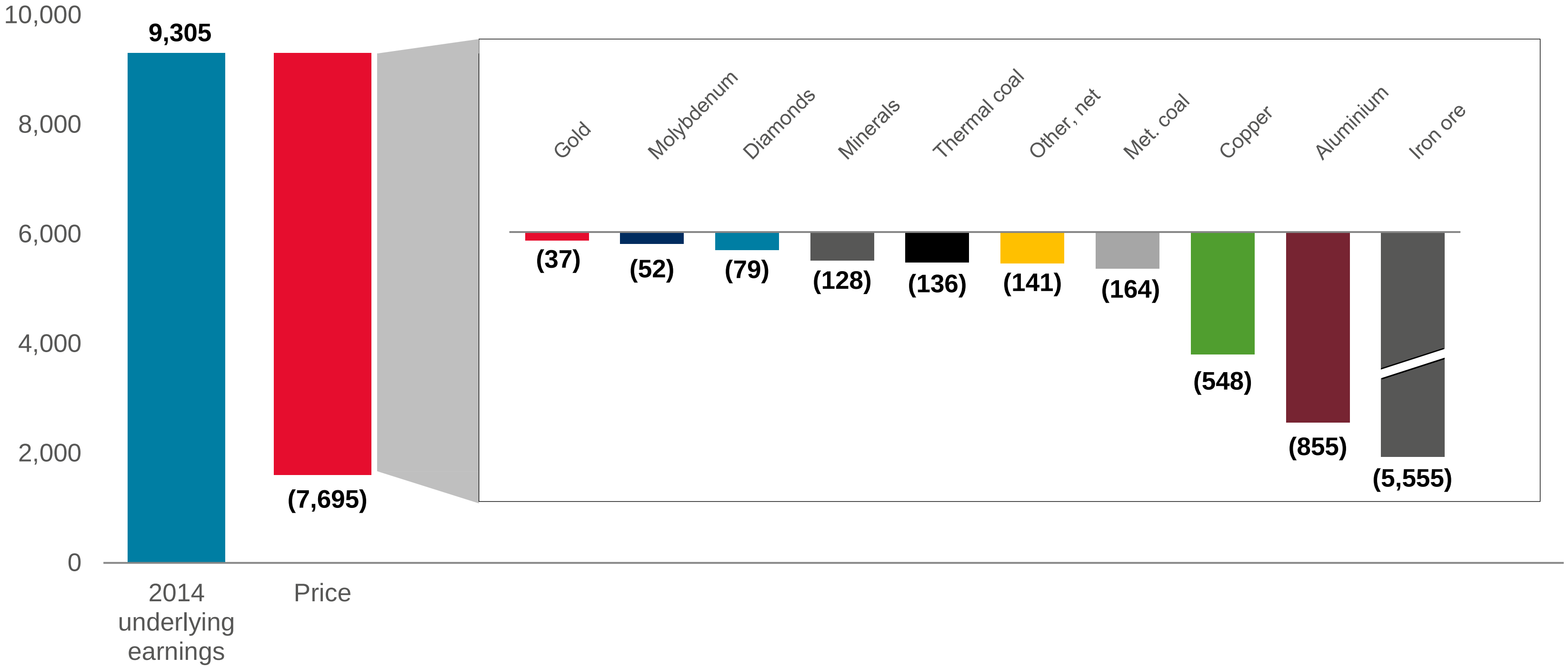
Weaker prices significantly reduced underlying earnings in 2015

Underlying earnings 2014 vs 2015
US$ million (post tax)



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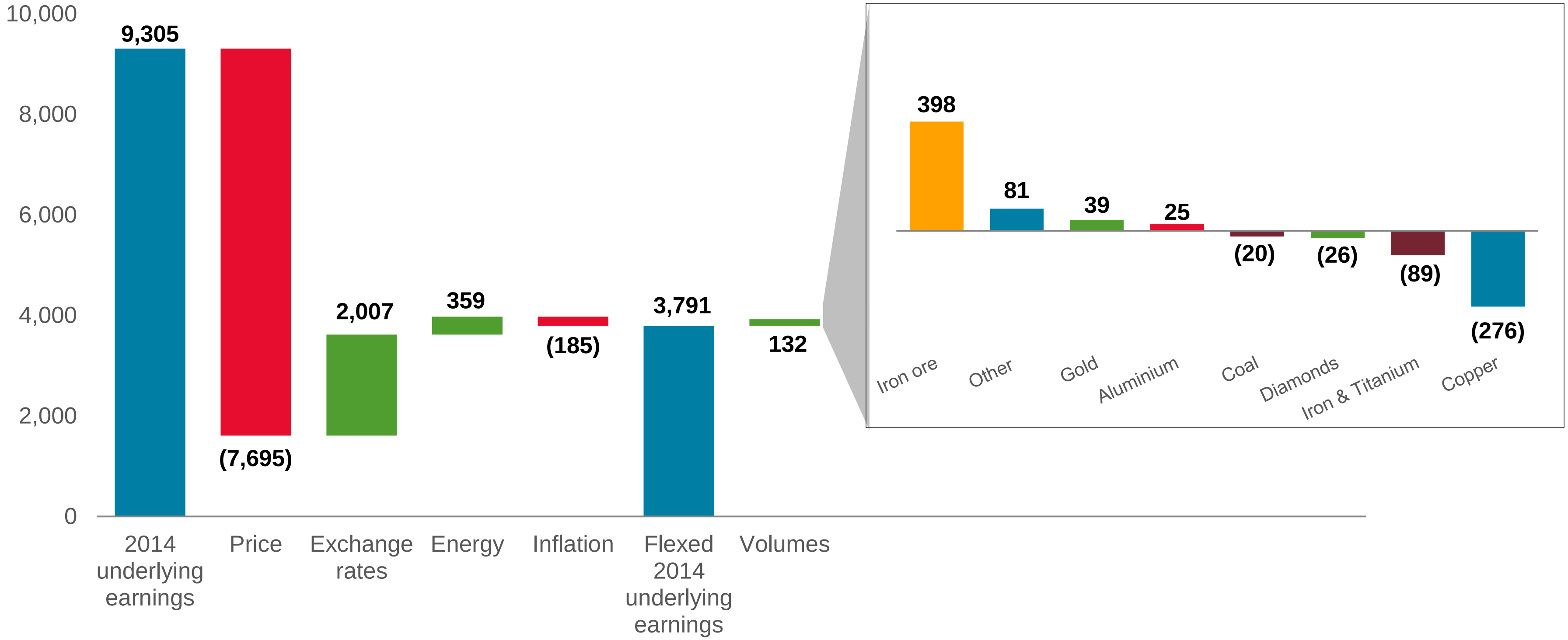
… partly offset by favourable exchange rates, lower energy costs and higher volumes

Underlying earnings 2014 vs 2015
US$ million (post tax)



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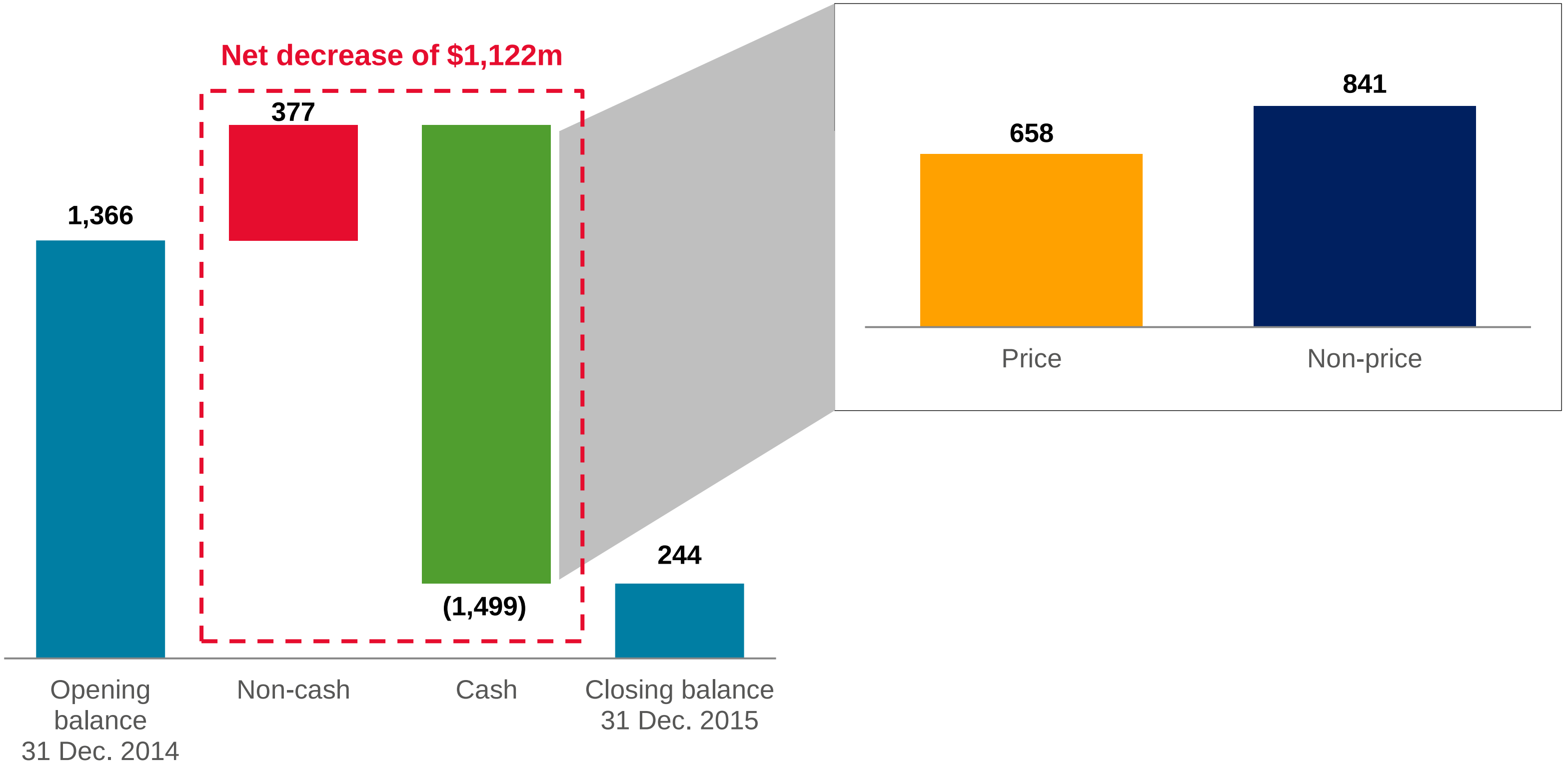
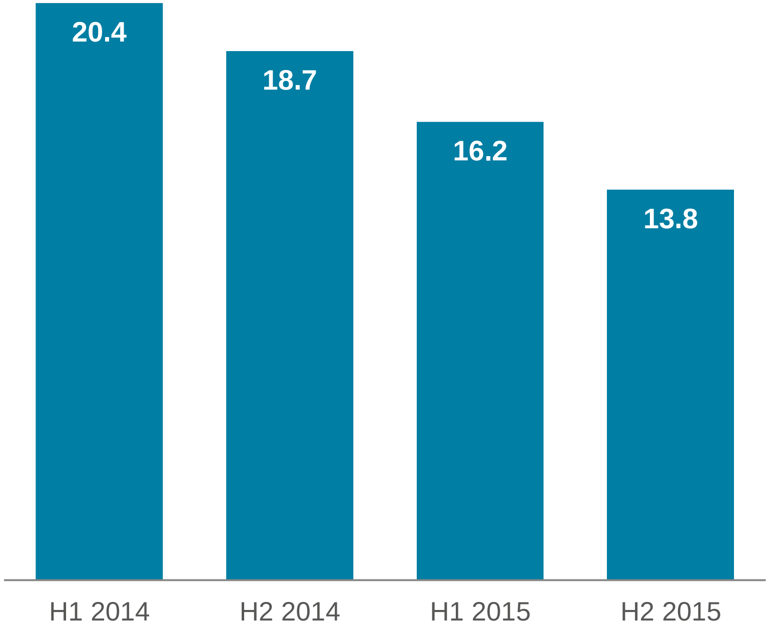
$1.5 billion of cash released from working capital

Working capital balance reconciliation
US$ million



Pilbara: our low-cost advantage has been sustained over many years

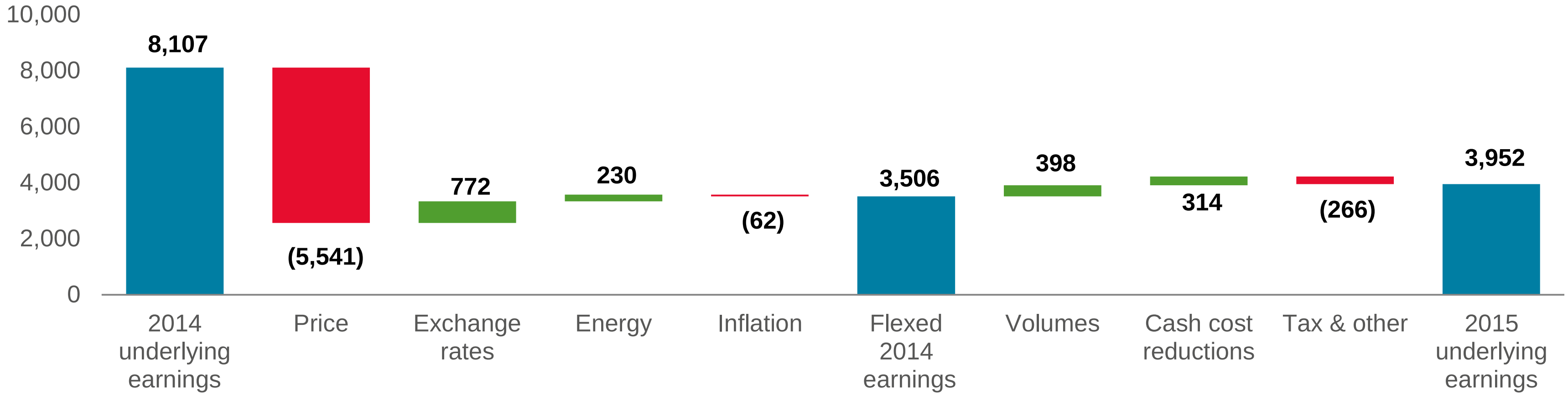
Pilbara cash unit cost
US$ per tonne



- 2015 cash unit cost of $14.90/t (24% lower than $19.50/t in 2014)
- Maintain consistently attractive FOB EBITDA margins (60% in 2015)
- Average realised FOB price of $48.40 per wet metric tonne ($52.60/dry metric tonne)
- Pilbara infrastructure project completed in H1 2015
- Expect global shipments of ~350Mt/a in 2016

Iron Ore: increased volumes and cost reductions delivered against lower prices

Underlying earnings 2014 vs 2015
US$ million (post tax)



- Global shipments of 336.6 million tonnes was 11% higher than in 2014 following completion of the brownfield developments and expanded infrastructure in the Pilbara, enabling a drawdown of inventories, as well as improvements at Iron Ore Company of Canada.
- Pilbara FOB EBITDA margins of 60% achieved in 2015 (68% in 2014) despite a 43% decline in average 62% Fe index prices compared to 2014.
- Pilbara cash unit costs to $14.90 per tonne in 2015, compared with $19.50 per tonne in 2014.
- Total cost reductions delivered in 2015 of $428 million pre-tax, through productivity improvements and lower contractor costs. Total pre-tax Iron Ore cost savings delivered since 2012 are now to $1,138 million.
- Pilbara iron ore revenues includes $918 million of freight in 2015 compared to $1,312 million in 2014, following significant declines in freight rates period on period.

The world's best aluminium business

Clear focused strategy: Bauxite and first quartile smelters are key pillars

Bauxite

Industry-leading bauxite position

Bauxite production +4%, with +14% in 3rd party sales to 26.6 million tonnes

Achieved FOB EBITDA margins of 51% in 2015

Market-paced growth starts with Amrun

Alumina

Provides competitive security of supply for our first cost quartile smelter portfolio

Improved financial performance in 2015 but more to do

Alumina production +4%, reflecting continued consistent performance across Rio Tinto's refineries

Aluminium

Sector-leading primary metal 2015 EBITDA margin of 23%

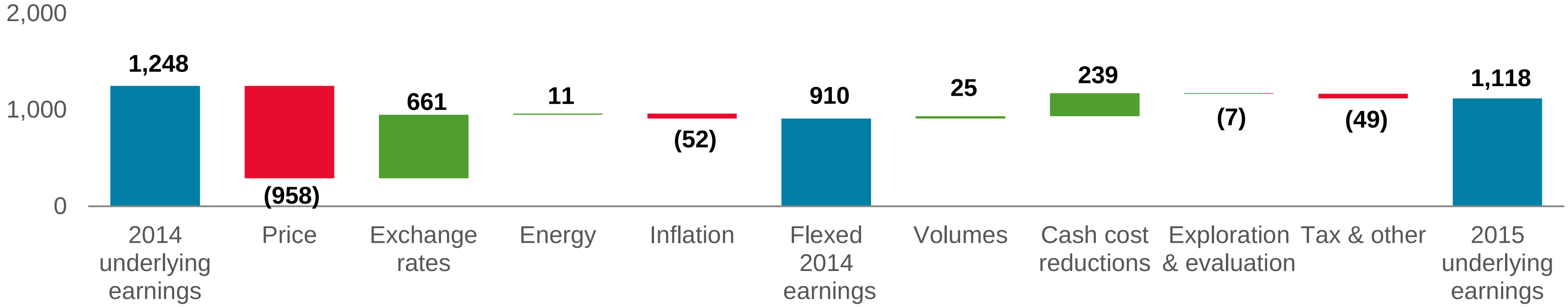
Average cost position in the 11^{th} percentile of industry cost curve

~80% of power from low-carbon sources

Focused on cash generation

Aluminium: exchange rates and cost improvements almost completely offset lower prices

Underlying earnings 2014 vs 2015
US$ million (post tax)



- Average LME prices decreased 11% year on year. While physical delivery market premiums fell back from their highs in early 2015, value-added product premia continued to be robust, averaging $251 per tonne in 2015. The average realised price per tonne averaged $2,058 in 2015 (2014: $2,395).
- Favourable currency movements in Canada and Australia increased underlying earnings by $661 million, partially offsetting the price impact of $958 million.
- Total 2015 cost savings were $326 million pre-tax. These were achieved through reduced raw material costs, increased productivity and lower labour costs, taking total pre-tax Aluminium cost savings delivered since 2012 to $1,132 million.
- Integrated operations EBITDA margins increased to 31% in 2015, compared to 29% in 2014. This performance and reduced working capital delivered strong operating cash flows of $2.4 billion and more than $800 million of free cash flow.
- The modernised and expanded Kitimat smelter poured first hot metal in 2015 and the ramp up towards 420,000 tonne nameplate capacity is expected in early 2016.
- Bauxite revenues includes $205 million of freight in 2015 ($256 million in 2014).

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Delivering increased copper volumes through growing existing mines

H2 2015: Higher grade areas exploited in the mine plan for Oyu Tolgoi open pit

2020+: First production from Oyu Tolgoi underground[1]

2016/2017: Metal share expected from Grasberg, with continued investment in underground[2]

2021+: Step-change in Grasberg participation to 40% of all production[3]

H1 2015: New 152kt per day concentrator commissioned at Escondida

2017: Commissioning of desalination plant

H2 2015: KUC third party concentrate tolling

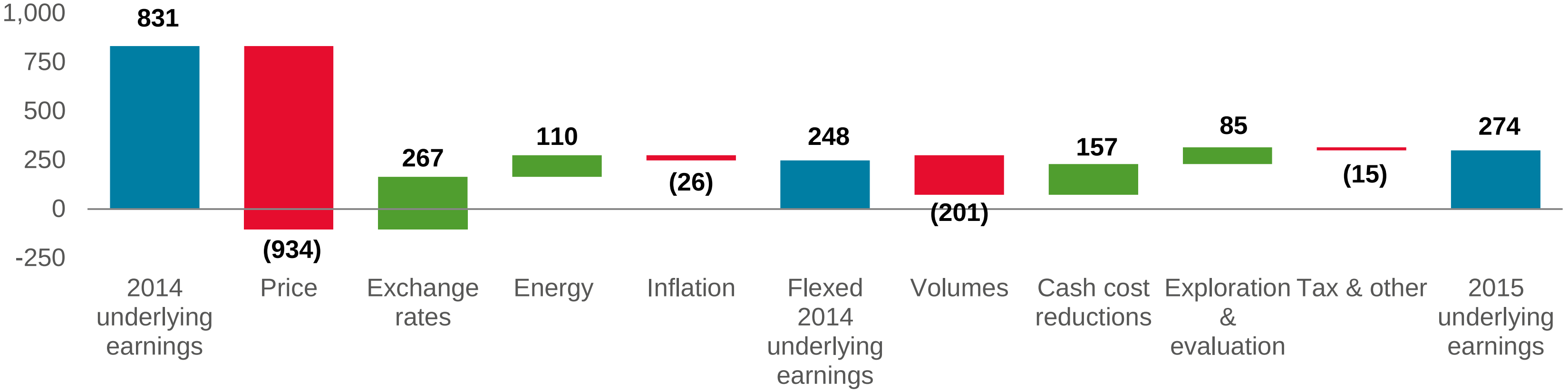
2016/2017: KUC volumes to recover following de-weighting/ de-watering of east wall

[1] Earliest date of first production based on Turquoise Hill Resources Limited Oyu Tolgoi 2014 Technical Report published October 2014. [2] See Freeport-McMoRan's Fourth Quarter 2015 Earnings Conference Call Presentation dated January 26, 2016 (available on the Freeport-McMoRan website) for sales guidance and our Chartbook for current guidance on metal strip thresholds. [3] Rio Tinto shares in 40% of all metal above the metal strip and will benefit from 40% of all metal produced from 2022 onwards.

Copper & Coal: cost savings and exchange rates partially offset lower prices

Underlying earnings 2014 vs 2015

US$ million (post tax)



- The Copper & Coal group's underlying earnings of $274 million, 67% lower than 2014, were heavily impacted by lower prices. These were partly offset by the delivery of further cash cost savings, favourable exchange rates and energy costs. Lower volumes were principally driven by Rio Tinto Kennecott, where efforts remained focused on de-weighting and de-watering the east pit wall.
- Pre-tax cost reductions delivered in 2015 were $214 million bringing total pre-tax cost savings delivered by Copper & Coal since 2012 to $1,934 million.
- Despite the challenging market environment all Copper & Coal operations were free cash flow positive, contributing over $1 billion in free cash flows to the Group. Net cash generated from operating activities was $1.8 billion in 2015.
- To optimise smelter utilisation, Kennecott tolled 414 thousand tonnes of third party concentrate in 2015.
- At 31 December 2015, the Group had an estimated 252 million pounds of copper sales that were provisionally priced at 217 cents per pound. The final price of these sales will be determined during the first half of 2016. This compares with 331 million pounds of open shipments at 31 December 2014, provisionally priced at 288 cents per pound.

Diamonds & Minerals: delivering strong margins

Well positioned for consumer-driven growth

Diamonds

42% EBITDA margins

Production up 25% with higher volumes from the Argyle underground

A21 pipe project at Diavik advancing as planned

Borates

34% FOB EBITDA margins

Demand for borates has been stable globally

Continued to optimise the MDDK process plant

Titanium Dioxide

29% FOB EBITDA margins

Softer market conditions as industry absorbs feedstock inventories

Three of 13 furnaces currently taken offline

Salt & Uranium

33% FOB EBITDA margins in salt

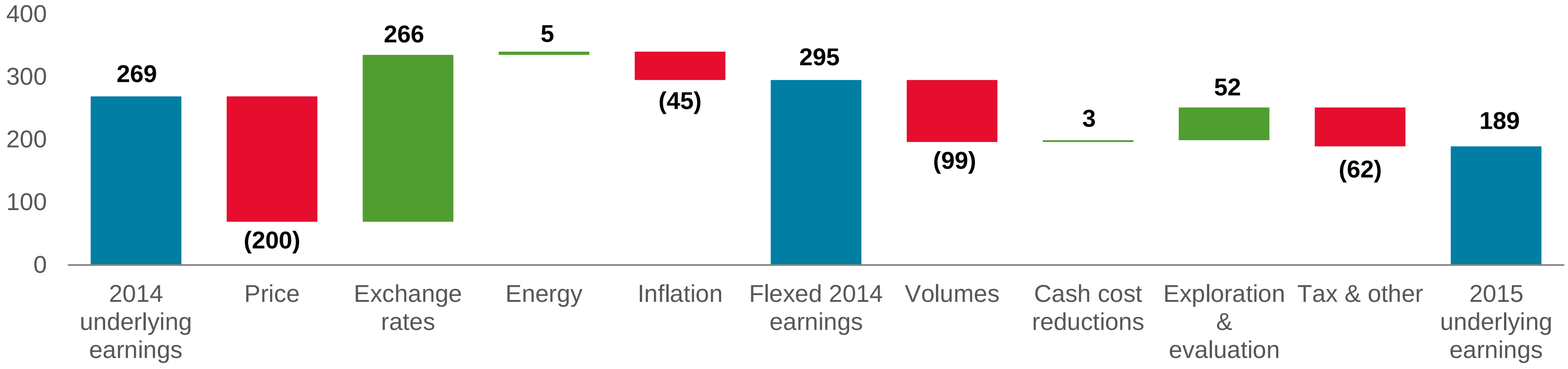
Uranium market continues to suffer from higher inventories

ERA mining stockpiles and rehabilitating Ranger mine

RioTinto

Diamonds & Minerals: favourable exchange and cost reductions partially offset lower prices and volumes

Underlying earnings 2014 vs 2015
US$ million (post tax)



- Underlying earnings of $189 million were 30% lower than 2014, primarily driven by lower sales volumes following the decision to optimise production to align with market demand.
- Volume reductions impacted cash costs which are calculated on a unit cash cost of production despite the fact absolute cash costs were $832 million lower than in 2014 (including a $342 million benefit from exchange rate movements).
- Strong operating cash flows of over $1 billion made a free cash flow contribution to the Group of over $500 million.
- The Argyle underground mine continued to ramp up throughout 2015.
- On 26 June 2015, Rio Tinto announced the sale of its interest in the Murowa diamond mine in Zimbabwe.
- The $350 million development of the A21 kimberlite pipe at Diavik (Rio Tinto share $210 million), which will provide an important source of incremental supply to maintain existing production levels, is currently proceeding as planned.
- Revenues included $279 million of freight in 2015 (2014: $343 million).

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Other movements in underlying earnings

Underlying earnings impact

US$ million	2014	FX/ price	Energy & Inflation	Volumes	Cash Costs	Epl'n eval'n	Epl'n eval'n 2014 disp	Non Cash	Interest, tax & other	2015
Other operations	(240)	(51)	3	9	2	-	-	16	173	(88)
Central Exploration (net)	(156)	17	-	-	-	(10)	10	-	(1)	(140)
Interest	(161)	-	-	-	-	-	-	-	(228)	(389)
Other	(593)	13	-	-	118	-	-	24	62	(376)
Total	(1,150)	(21)	3	9	120	(10)	10	40	6	(993)

- Other operations includes the Gove alumina refinery and RT Marine. The reduction in net loss reflects lower spend at both Gove and RT Marine.
- Exploration costs were largely in line with last year, excluding losses on divestments in 2015.
- Other includes savings across central functions.

ERA earnings reconciliations

	2015
Energy Resources of Australia	**US$m**
Total comprehensive loss per ERA press release (A$275m)	(207)
Lower depreciation following impairment recognised by Rio Tinto	29
Tax and unwinding of discount[1]	147
Less: Minority interests (31.6%)	11
Other	(4)
Underlying earnings before exclusions as reported by Rio Tinto	**(24)**

[1] Including non-cash write down of ERA's deferred tax asset, which is excluded from Rio Tinto's underlying earnings.

Modelling earnings

Earnings sensitivity	2015 average price/ rate	($m) impact on FY 2015 underlying earnings of 10% price/rate change
Copper	249c/lb	213
Aluminium	$1,661/t	416
Gold	$1,160/oz	39
Iron ore (62% Fe FOB)	$50/dmt	843
Coking coal (benchmark)	$102/t	60
Thermal coal (average spot)	$62/t	114
A$	75USc	651
C$	78USc	211
Oil	$52/bbl	65

Note: The sensitivities give the estimated effect on underlying earnings assuming that each individual price or exchange rate moved in isolation. The relationship between currencies and commodity prices is a complex one and movements in exchange rates can affect movements in commodity prices and vice versa. The exchange rate sensitivities include the effect on operating costs but exclude the effect of revaluation of foreign currency working capital.

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