

Edgar Filing: RIO TINTO PLC - Form 425

RIO TINTO PLC
Form 425
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and BHP Billiton Limited

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Subject Company: Rio Tinto plc

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The following are slides comprising a presentation that was first given on October 7, 2008.

Resourcing the Future
7 October 2008
Don Argus
Chairman
Citi
Smith Barney Special Company Presentation
SHANGHAI

Slide 2

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Factors that could cause actual results or performance to differ materially from those expressed or implied in the forward-looki successfully combine the businesses of BHP Billiton and Rio Tinto and to realise expected synergies from that combination, th of any conditions to any proposed transaction, including the receipt of required regulatory and anti-trust approvals, Rio Tinto completion of any transaction, and the risk factors discussed in BHP Billiton's and Rio Tinto s filings with the U.S. Securities 20-F for the fiscal years ended 30 June 2008 and 31 December 2007, respectively) which are available at the SEC's website (ht Listing Authority and the London Stock Exchange, the UK Takeover Panel, or the listing rules of ASX Limited, BHP Billiton this presentation.

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Disclaimer
(continued)

No statement concerning expected cost savings, revenue benefits (and resulting incremental EBITDA) and EPS accretion in the per share of the enlarged BHP Billiton group for current and future financial years will necessarily match or exceed the historical estimated cost savings and revenue benefits (and resulting EBITDA enhancement) may be materially greater or less than estimated. References in this presentation to \$ are to United States dollars unless otherwise specified.

Information Relating to the US Offer for Rio Tinto plc

In connection with the offer and sale of securities BHP Billiton would issue to Rio Tinto plc US shareholders and Rio Tinto plc US share-
holders a Preliminary Prospectus (the "Prospectus"), which contains a preliminary prospectus (the "Prospectus"), and will not be a substitute for the Registration Statement or the Prospectus that BHP Billiton has filed, or any amendments or supplements to those documents. U.S. INVESTORS AND U.S. HOLDERS OF RIO TINTO PLC SECURITIES AND ALL HOLDERS OF RIO TINTO PLC SECURITIES SHOULD CAREFULLY READ THE PROSPECTUS AND ANY OTHER DOCUMENTS MADE AVAILABLE TO THEM AND/OR FILED WITH THE SEC RECENTLY, INCLUDING ANY AMENDMENTS AND SUPPLEMENTS TO THOSE DOCUMENTS, WHEN THEY BECOME AVAILABLE BECAUSE THEY ARE AVAILABLE TO THEM. Investors and security holders are able to obtain a free copy of the Registration Statement and the Prospectus as well as other relevant information at <http://www.sec.gov>. Copies of such documents may also be obtained from BHP Billiton without charge.

Information for US Holders of Rio Tinto Limited Shares

BHP Billiton Limited is not required to, and does not plan to, prepare and file with the SEC a registration statement in respect of the offer to Rio Tinto Limited shareholders should carefully consider the following:

The Rio Tinto Limited Offer will be an exchange offer made for the securities of a foreign company. Such offer is subject to the provisions of the Securities Act of 1933, as amended, of the United States. Financial statements included in the document will be prepared in accordance with foreign accounting standards and may not be comparable to the financial statements of United States companies.

Information Relating to the US Offer for Rio Tinto plc and the Rio Tinto Limited Offer for Rio Tinto shareholders located in the United States. It may be difficult for you to enforce your rights and any claim you may have arising under the U.S. federal securities laws, since the officers and directors may be residents of foreign countries. You may not be able to sue a foreign company or its officers or directors in a U.S. court. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgment. You should be aware that BHP Billiton may purchase securities of either Rio Tinto plc or Rio Tinto Limited otherwise than in the open market purchases.

Slide 4

0
2
4
6
8
10

12

14

Short-term global economic challenges exist

Source: IMF, Data: IMF, IMF Forecasts.

Gross domestic production

(% growth, constant 2006 US\$)

Asian Banking

Crisis

Technology

Correction

Current US

Financial Crisis

China

Emerging Economies

Developed Economies

Slide 5
Housing
Structural
Reform
High Value
Manufacturing
Rising Incomes

Rural Development

Urbanisation

However in the long-term China remains on the steep part of the development curve supported by six growth drivers

Slide 6
Growth in crude steel production (CY2000-2007)
(mt)
73%
5%
3%
4%

15%

Japan

Europe

China

Other

India

Urbanisation and industrialisation is expected to continue

to drive demand for steelmaking raw materials

Source: IISI and BHP Billiton estimates.

Note crude steel production growth calculated based on the change in annual production between 2000 and 2007.

Mount Newman

Illawarra Coal

Slide 7
and energy consumption
36%
9%
5%
50%
China

Other

Europe

North America

Growth in energy consumption CY2000-2007

(mmtoe)

Source: BP Statistical Review of World Energy 2008.

Notes:

Primary

energy

comprises

commercially

traded

fuels

only.

Oil

consumption

measured

in

million

tonnes,

other

fuels

converted

to

million

tonnes

of

oil

equivalent

as

detailed

in

the

Appendices

of

the

Review.

North West Shelf

Greater Angostura

Slide 8
Outstanding performance
Neptune
Gulf of Mexico

Slide 9

Our core strategy sets us apart in our industry

Focus on Tier 1 assets that are large, low-cost and expandable

Focus on the extraction of upstream natural resources

Portfolio diversified by commodity, customer and geography
reducing the volatility of cash flows

Maintenance of a deep diversified inventory of growth options

Focus on export orientated products

Overriding commitment to ethics, safety, environmental
practice and community engagement

Employer of choice, and a preferred partner for countries and
customers

Simplicity

Accountability

Effectiveness

Slide 10

0

100

200

300

400

500

600

700

BHP Billiton

Rio Tinto(a)

Vale

Xstrata

Anglo American

Note: EBIT and Employees as per last published Annual Report, data does not include contractors. BHP Billiton as at 30-Jun-2007

a) Rio Tinto Post Alcan EBIT based on CY2007 full year proforma results.

EBIT per employee

(US\$ '000)

Pre-Alcan

Post-Alcan

Despite our size, simplicity is a core element of this strategy

Slide 11
Outstanding FY2008 result driven by strategy and execution

Achieved record profit for the 7
th
consecutive year

Attributable profit up 12%, EPS up 18%

Dividend rebased upwards a signal of our outlook confidence

Full year dividend of 70 US cents per share, 49% increase

Production increases in 13 commodities, records in 7

10 major growth projects completed

A further 7 major projects sanctioned by the Board

Strong performance demonstrates the power of our diversified and high margin portfolio

Underlying EBIT margin

(a)

(FY2008)

48%

67%

30%

31%

62%

51%

58%

24%

58%

20%

Iron Ore

Manganese

Energy Coal

Metallurgical Coal

Diamonds and

Specialty Products

Base Metals

Petroleum

Stainless Steel

Materials

Aluminium

Group

Slide 12
%
EBIT margin
(a)
FY2002
FY2003
FY2004

FY2005
FY2006
FY2007
FY2008

0
10
20
30
40
50
60
70
80
H1
H2
H1
H2
H1
H2
H1
H2
H1
H2
H1
H2
H1
H2
H1
H2

Petroleum
Aluminium
Base Metals
D&SP
SSM
Iron Ore
Manganese
Met Coal
Energy Coal
BHP Billiton

Notes:

a)
FY2002
to
FY2005
are
calculated
under
UKGAAP.
Subsequent
periods
are
calculated

under
IFRS.

All
periods
exclude
third
party
trading
activities.

The benefits of diversification across a high margin portfolio

Slide 13

0

2,000

4,000

6,000

8,000

10,000

12,000

14,000

CY2007

CY2008F

CY2009F

CY2010F

CY2011F

CY2012F

We are accelerating growth from a diversified project portfolio

% of growth CY2007-2012

(Estimated & unrisked)

Note: Growth in production volumes on a copper equivalent units basis between CY2007 and CY2012 calculated using BHP Billiton

Specialty Products operation and all bauxite production. All energy coal businesses are included. Alumina volumes reflect only

units completed using long term consensus price forecasts, plus BHP Billiton assumptions for diamonds, domestic coal and metallurgical

Expected production growth

(Copper equivalent tonnes '000s)

45%

37%

18%

Steelmaking

Materials

Energy

Non-Ferrous

Slide 14

Focused on low risk volume growth from existing assets and in our own backyard

By project type

(b)

87%

13%

Brownfield

Greenfield

By region

(c)

Existing

New

3%

97%

63%

Notes:

a)

Growth in production volumes on a copper equivalent units basis between CY2007 and CY2012 calculated using BHP Billiton Specialty Products operation and all bauxite production. All energy coal businesses are included. Alumina volumes reflect only equivalent units completed using long term consensus price forecasts, plus BHP Billiton assumptions for diamonds, domestic c

b)

Brownfield includes growth from existing operations as at 31-Dec-2007, as well as expansions and additional developments of

c)

Existing regions represents those countries in which BHP Billiton already has asset operating as at 31-Dec-2007.

Expected

production

growth

(a)

(Copper equivalent tonnes, CY2007-CY2012)

Slide 15
Example Olympic Dam

Slide 16
The Rio Tinto Offer

Slide 17

Pre-conditional offer, capable of acceptance by shareholders following completion of regulatory processes and posting of offer documents

Regulatory processes anticipated to be completed around the end of 2008

Rio
Tinto
shareholders
are
being
offered

3.4
BHP
Billiton
shares
for
every

Rio
Tinto
share
held

All share offer

No shareholder forced to exit

Ability to participate in the synergies as well as the premium

CGT
rollover
relief
for
eligible
shareholders
(a)

Unlocks
US\$3.7bn
per
annum
of
quantifiable
synergies
(b)

The
offer
represents
a
45%
premium
to
the
undisturbed
price

(c)

50%
minimum
acceptance
condition

(d)

Proposed
share
buyback
of
up
to
US\$30bn
following
completion
if
the
offer
is
successful

(e)

BHP Billiton believes this offer is compelling for Rio Tinto shareholders, and value enhancing for BHP Billiton shareholders

Overview of the offer for Rio Tinto

Notes:

a)

Australian CGT rollover relief will be available for Australian resident shareholders accepting the Rio Tinto Ltd Offer if comp Tinto plc shareholders if there are at least 70 per cent acceptances under the Rio Tinto plc Offer.

b)

Estimated incremental EBITDA based on publicly available information. To be read in conjunction with the notes in Appendix

c)

Premium based on the combined volume-weighted market capitalisation of Rio Tinto based on the volume-weighted average c Tinto Ltd respectively and volume-weighted average closing share prices over the month ended 31-Oct-2007 of BHP Billiton L ordinary shares outstanding (excluding Treasury shares and cross shareholdings eg. Rio Tinto plc s shareholding in Rio Tinto NOTE: Consistent with the UK City Code on Takeovers and Mergers, the offer represents a 21% discount based on the combin Nov-2007 and Rio Tinto Ltd of A\$113.40 on 8-Nov-2007 and closing share prices of BHP Billiton Plc and BHP Billiton Ltd o shares outstanding (excluding Treasury shares and cross shareholdings eg. Rio Tinto plc s shareholding in Rio Tinto Ltd) as a

b)

The offer is conditional on more than 50% acceptances of the publicly held shares in each of Rio Tinto plc and Rio Tinto Ltd.

c)

i.e. if BHP Billiton acquires 100% of the shares in Rio Tinto Limited and Rio Tinto plc on the 3.4:1 announced offer terms.

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Notes:

a)

Estimated incremental EBITDA based on publicly available information. To be read in conjunction with the notes in Appendix

expected by year 7.

The benefits of the combination

Optimising mineral basin positions and infrastructure

Lower cost, more efficient production

Unlocking volume through matching reserves with infrastructure

Enhanced platform for future growth

Deployment of scarce resources to highest value opportunities

Greater ability to develop the next generation of large scale projects in new geographies

Better positioned as partner of choice with governments and stakeholders

Efficient exploration and infrastructure development

Unique synergies and combination benefits

Quantifiable synergies of US\$3.7bn per annum
(a)

Economies of scale
especially procurement

Avoid duplication, reduce corporate and divisional non-operating costs

Accelerate tonnage delivered to market
WA Iron Ore operations (Central & East Pilbara)

BHP Billiton's Tenements

Rio Tinto's Tenements

BHP Billiton Railway

Rio Tinto Railway

Goonyella

Riverside

Broadmeadow

48

Gregory

26

Kestrel

48

Norwich

Park

48

Saraji

48

Peak Downs

26

Blair Athol

48

48

48

48

48

26

Hail Creek

South

Water Creek

Poitrel

Blackwater

48

BHP Billiton

Rio Tinto

Queensland Coal

Hay Point

Slide 19
3.4:1 offer represents compelling value
Source:
Datastream
(as
at
3-Oct-2008).

a)
Exchange
ratio
assumes
100%
BHP
Billiton
Ltd
shares
for
each
Rio
Tinto
Ltd
share
and
BHP
Billiton
shares
for
each
Rio
Tinto
plc
share
consisting
of
80%
BHP
Billiton
Plc
shares
and
20%
BHP
Billiton
Ltd
shares.
Rio
Tinto
vs
BHP
Billiton
historical
share
exchange
ratio
(a)
2.2 : 1
2.4 : 1

2.6 : 1

2.8 : 1

3.0 : 1

3.2 : 1

3.4 : 1

3.6 : 1

Jul-2007

Sep-2007

Nov-2007

Jan-2008

Mar-2008

May-2008

Jul-2008

Sep-2008

BHP Billiton's offer for Rio Tinto

1-Oct-2008

ACCC clears proposed

acquisition

of Rio Tinto

Slide 20

Comparative dividend per share

Rio Tinto

BHP Billiton

A\$25.92

(2.6% yield)

A\$19.16

(1.9% yield)
Rio Tinto
BHP Billiton
US\$8.5bn
US\$42.1bn
FY2008
dividends
per
A\$1,000
of
shares
(a)
Net
debt
(c)
Notes:
a)
Calculated
based
on
Rio
Tinto
Ltd
and
BHP
Billiton
Ltd
share
prices
as
at
3-Oct-2008
and
using
the
dividend
for
the
respective
periods
as
paid
in
A\$
by
BHP
Billiton
and
Rio
Tinto.

b)
Dividends
per
share
on
a
US\$
basis.
Rio
Tinto's
ordinary
dividends
per
share
restated
to
June
year
end.
c)
As at 30-Jun-2008.
31%
49%
Rio Tinto
BHP Billiton
2.2
x
5.4
x
Rio Tinto
BHP Billiton
FY2007
to
FY2008
DPS
growth
(b)
FY2008
vs
FY2002
DPS
(b)

Slide 21
Combination is about reducing risk, not increasing it
BHP
Billiton
Ltd
vs
Rio

Tinto
Ltd
relative
performance

(a)
(Price performance relative to Jun-2001 = 100)

Notes:

a)
For the period 29-Jun-2001 to 31-Oct-2007.

0
100
200
300
400
500
0
100
200
300
400
500

Rio Tinto Indexed Share Price Performance

Increased size does not mean increased complexity

simplicity of the business model remains key

Operating as 1 company results in

More diversified asset portfolio, lower risk

An enhanced portfolio of growth opportunities

Reduced risk of large scale investments

Operating and capital cost efficiencies

More production, faster and at lower cost

Key management positions will be filled by drawing
on the best of both management teams

High share price correlation means similar portfolio
concentration, whether the companies are combined
or separate

Slide 22
Indicative timetable for the offer
2008
Offer Period
Event
Jul
Aug

Sep
Oct
Nov
Dec
Day 0
(a)
Day 60
Post Day 60
Regulatory Approvals
Satisfaction of regulatory approval
pre-conditions
Offer Documentation
Posting of offer documents for Rio Tinto plc offer
and Rio Tinto Ltd offer to shareholders
Offer Fulfilment
Last date for fulfilment of greater than 50%
minimum acceptance condition in both the Rio
Tinto plc and Rio Tinto Ltd offers
Post Day 60
If
minimum
acceptance
conditions
are
met

offer
continues. (i.e. in order to receive sufficient
acceptances to enable compulsory acquisition)

Notes:

a)
Date
for
Day
0
may
fall
in
2008
or
2009.

Timetable
is
indicative
only.
(within 28 days of the
preconditions being
satisfied)

Slide 23
Summary

China, India and other developing economies are expected to continue to drive demand for commodities in the long-term

BHP Billiton is focused on executing its strategy, benefits of this were proven in the FY2008 result

Future production growth 6.9% is expected to be delivered from lower risk projects and high margin products

BHP Billiton is working towards completing the regulatory review process for the Rio Tinto offer by the end of 2008

Formal offer documents will be distributed to shareholders following this

BHP Billiton believes this offer is compelling for Rio Tinto shareholders, and value enhancing for BHP Billiton shareholders
Cannington

Slide 24
Questions and Answers

Slide 25

BHP Billitons

senior management team

Notes:

a)

Andrew Mackenzie's appointment to BHP Billiton was announced on 20-Nov-2007, he has not yet commenced his new role as
Diamonds and Industrial Minerals.

Chairman and Chief Executive Officer
Group Management Committee
Don Argus
Chairman

Chairman of BHP Billiton
Group since June 2001

Chairman of BHP Limited
since April 1999
Marius Kloppers
Chief Executive Officer

15 years resources
experience

15 years at BHP Billiton
Marcus Randolph
Chief Executive Ferrous and Coal

31 years resources experience

9 years at BHP Billiton

Previously worked at Rio Tinto
Alex Vanselow
Chief Financial Officer

19 years resources experience

19 years at BHP Billiton
Karen Wood
Chief People Officer

7 years resources experience

7 years at BHP Billiton
Michael Yeager
Chief Executive Petroleum

27 years resources experience

2 years at BHP Billiton
Alberto Calderon
Chief Commercial Officer

9 years resources experience

2 years at BHP Billiton
Andrew Mackenzie

(a)

Chief Executive Non Ferrous

30 years resources experience

Previously worked at Rio Tinto

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More information for shareholders

Internet

More information on BHP Billiton or BHP Billiton's offer for Rio Tinto can be found at either of the following web pages:

BHP Billiton:

www.bhpbilliton.com

BHP Billiton's offer for Rio Tinto:

www.bhpbilliton.com/RioTintoOffer

Or Email:

investor.relations@bhpbilliton.com

BHP Billiton Shareholder Information Helpline

If you have any additional questions you can contact the Shareholder

Information Helpline on the following numbers:

Australia toll free:

1300 766 363

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0800 668 228

For other callers:

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BHP

Billiton

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-

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