

Edgar Filing: RIO TINTO PLC - Form 425

RIO TINTO PLC
Form 425
October 28, 2008

Filed by: BHP Billiton Plc

and BHP Billiton Limited

Pursuant to Rule 425 under the Securities Act of 1933

Subject Company: Rio Tinto plc

Commission File No.: 001-10533

The following are slides comprising a presentation that was given by Alex Vanselow, Chief Financial Officer, BHP Billiton on October 28, 2008.

Resourcing the Future
28 October 2008
Alex Vanselow
Chief Financial Officer
Macquarie Private Wealth Special Presentation
SHANGHAI

Slide 2

Disclaimer

By reviewing/attending this presentation you agree to be bound by the following conditions.

The directors of BHP Billiton Limited and BHP Billiton Plc ("BHP Billiton") accept responsibility for the information contained in this presentation. If it is the case, the information contained in this presentation is, to the best of the knowledge and belief of the directors of BHP Billiton, correct and not misleading. It may affect its import.

Subject to the above, neither BHP Billiton nor any of its directors, officers, employees or advisers nor any other person makes

accordingly no reliance should be placed on, the fairness, accuracy or completeness of the information contained in the present neither BHP Billiton nor any of its directors, officers, employees or advisers nor any other person shall have any liability what or indirectly, from any use of this information or its contents or otherwise arising in connection therewith. Information about BHP Billiton information which has not been independently verified.

This presentation is for information purposes only and does not constitute or form part of any offer for sale or issue of any securities, nor shall it or any part of it be relied on in connection with, any contract or investment decision, nor does it constitute approval in any jurisdiction, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale is prohibited by the laws of any such jurisdiction (or under an exemption from such requirements). No offering of securities shall be made into the United States under the Securities Act of 1933, as amended, or an exemption therefrom. Neither this presentation nor any copy of it may be taken or transmitted outside the United States. Distribution of this document in other jurisdictions may be restricted by law and persons into whose possession this document comes may be subject to restrictions.

This presentation is directed only at persons who (i) are persons falling within Article 49(2)(a) to (d) ("high net worth companies") under the Financial Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order") or (ii) have professional experience in matters relating to securities outside the United Kingdom (all such persons being referred to as "relevant persons"). This presentation must not be acted on or relied upon by persons who are not "relevant persons". Certain statements in this presentation are forward-looking statements (including statements regarding contribution synergies, production volumes, increases in production and infrastructure capacity, the identification of additional mineral Reserves and Resources) and typically containing words such as "intends," "expects," "anticipates," "targets," "plans," "estimates" and words of similar import. These statements are based on numerous assumptions regarding BHP Billiton's present and future business strategies and the environments in which BHP Billiton operates. These assumptions, expectations and beliefs may or may not prove to be correct and by their nature, are subject to a number of known and unknown risks which may cause actual results and achievements to differ materially.

Factors that could cause actual results or performance to differ materially from those expressed or implied in the forward-looking statements include: the ability to successfully combine the businesses of BHP Billiton and Rio Tinto and to realise expected synergies from that combination, the receipt of all necessary approvals of any conditions to any proposed transaction, including the receipt of required regulatory and anti-trust approvals, Rio Tinto's ability to complete any transaction, and the risk factors discussed in BHP Billiton's and Rio Tinto's filings with the U.S. Securities and Exchange Commission (20-F for the most recent fiscal years) which are available at the SEC's website (<http://www.sec.gov>). Save as required by law or the UK Takeover Panel, or the listing rules of ASX Limited, BHP Billiton undertakes no duty to update any forward-looking statements.

Slide 3

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.

In connection with the offer and sale of securities BHP Billiton would issue to Rio Tinto plc US shareholders and Rio Tinto plc
Statement on Form F-4 (the Registration Statement), which contains a preliminary prospectus (the Prospectus), and will
a substitute for the Registration Statement or the Prospectus that BHP Billiton has filed, or any amendments or supplements to
U.S. INVESTORS AND U.S. HOLDERS OF RIO TINTO PLC SECURITIES AND ALL HOLDERS OF RIO TINTO PLC A
PROSPECTUS AND ANY OTHER DOCUMENTS MADE AVAILABLE TO THEM AND/OR FILED WITH THE SEC RE
AMENDMENTS AND SUPPLEMENTS TO THOSE DOCUMENTS, WHEN THEY BECOME AVAILABLE BECAUSE T
Investors and security holders are able to obtain a free copy of the Registration Statement and the Prospectus as well as other re
(<http://www.sec.gov>). Copies of such documents may also be obtained from BHP Billiton without charge.

BHP Billiton Limited is not required to, and does not plan to, prepare and file with the SEC a registration statement in respect of
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 di
the United States. Financial statements included in the document will be prepared in accordance with foreign accounting stand
States companies.

It may be difficult for you to enforce your rights and any claim you may have arising under the U.S. federal securities laws, sin
officers and directors may be residents of foreign countries. You may not be able to sue a foreign company or its officers or dir
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 un
purchases.

Information

Relating

to

the

US

Offer

for

Rio

Tinto

plc

Information

for

US

Holders

of

Rio

Tinto

Limited

Shares

Information

Relating

to

the

US

Offer

for

Rio

Tinto

plc

and

the

Rio

Tinto
Limited
Offer
for
Rio
Tinto
shareholders
located
in
the
US

Slide 4

0
2
4
6
8
10

12

14

Short-term global economic turmoil

Source:

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
Urbanisation

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

Rising

Incomes

Rural Development

Slide 6
Outstanding performance
Neptune
Gulf of Mexico

Slide 7

Our core strategy sets us apart in our industry

Focus on world-class 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 8

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

a)

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

0

100

200

300

400

500

600

700

BHP Billiton

Rio Tinto(a)

Vale

Xstrata

Anglo American

EBIT per employee

(US\$ '000)

Pre-Alcan

Post-Alcan

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

Slide 9

Outstanding FY2008 result driven by strategy and execution

Achieved record profit for the 7 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%

25%

20%

Iron Ore

Manganese

Energy Coal

Metallurgical Coal

Diamonds and

Specialty Products

Base Metals

Petroleum

Stainless Steel

Materials

Aluminium

Group

Notes:

EBIT Margin excludes third party trading activities.

th

Slide 10

Notes:

a)

FY2002 to FY2005 are calculated under UKGAAP. Subsequent periods are calculated under IFRS. All periods exclude third
%

Underlying

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

Petroleum

Aluminium

Base Metals

D&SP

SSM

Iron Ore

Manganese

Met Coal

Energy Coal

BHP Billiton

The benefits of diversification across a high margin portfolio

Slide 11

Note: Growth in production volumes on a copper equivalent units basis between CY2007 and CY2012 calculated using BHP Billiton's Specialty Products operation and all bauxite production. All energy coal businesses are included. Aluminum production excluded. Conversion of production forecasts to copper equivalent units completed using long term consensus price forecasts, plus BHP Billiton's Specialty Products operation. Prices as at July 2008.

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)

Expected production growth

(Copper equivalent tonnes '000s)

45%

37%

18%

Steelmaking

Materials

Energy

Non-Ferrous

Slide 12

Notes:

a)

Growth in production volumes on a copper equivalent units basis between CY2007 and CY2012 calculated using BHP Billiton's Specialty Products operation and all bauxite production. All energy coal businesses are included. Aluminum Conversion of production forecasts to copper equivalent units completed using long term consensus price forecasts, plus BHP manganese. Prices as at July 2008.

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.

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%

Expected

production

growth

(a)

(Copper equivalent tonnes, CY2007-CY2012)

Slide 13
Example Olympic Dam

Slide 14
The Rio Tinto Offer

Slide 15

Notes:

a)

Australian CGT rollover relief will be available for Australian resident shareholders accepting the Rio Tinto Ltd Offer if comp

UK rollover provisions will apply to accepting Rio Tinto plc shareholders if there are at least 70 per cent acceptances under

b)

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

Full run rate synergies expected in the seventh full year following completion.

c)

Premium based on the combined volume-weighted market capitalisation of Rio Tinto based on the volume-weighted average closing share prices of £43.09 and A\$109.20 for Rio Tinto plc and Rio Tinto Ltd respectively and volume-weighted average closing share prices of BHP Billiton Ltd of £17.99 and A\$45.77 respectively. Based on BHP Billiton and Rio Tinto issued ordinary shares outstanding (excluding shareholdings eg. Rio Tinto plc's shareholding in Rio Tinto Ltd) as at 9-Nov-2007 and exchange rates of 2.077 US\$/£ and 0.9

NOTE: Consistent with the UK City Code on Takeovers and Mergers, the offer represents a 48% discount based on the combined closing share prices of Rio Tinto plc of £43.50 on 7-Nov-2007 and Rio Tinto Ltd of A\$113.40 on 8-Nov-2007 and closing share prices of BHP Billiton Ltd of £17.99 and A\$45.77 respectively on 23-Oct-2008. Based on BHP Billiton and Rio Tinto issued ordinary shares outstanding (excluding shareholdings eg. Rio Tinto plc's shareholding in Rio Tinto Ltd) as at 23-Oct-2008 and exchange rates of 1.622 US\$/£ and 0.9

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

e) 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

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

Slide 16

Source: Datastream (as at 23-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 Ltd share and 20% BHP Billiton Ltd shares.

3.4:1 offer represents compelling value

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

Slide 17

Comparative dividend per share

Rio Tinto

BHP Billiton

A\$31.92

(3.2% yield)

A\$25.45

(2.5% 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 23-Oct-2008 and using the dividend for the respective

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 18

Notes:

a)

Estimated incremental EBITDA (nominal) based on publicly available information. To be read in conjunction with the notes in
6-Feb-2008. Full run rate synergies expected in the seventh full year following completion.

Combination is about reducing risk, not increasing it

Increased
size
does
not
mean
increased
complexity

simplicity
of
the
business
model
remains
key

Operating as one company results in:

More diversified asset portfolio, lower risk

An enhanced portfolio of growth opportunities

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

Operating and capital cost efficiencies

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

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 19

Notes:

a)

Date for Day 0 may fall in 2008 or 2009. Timetable is indicative only.

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

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

(within 28 days of the
pre conditions being
satisfied)

If

minimum
acceptance
conditions

are

met

offer

Slide 20
Summary

We expect financial market volatility and economic uncertainty to continue in the short-term

However, China, India and other developing economies

are expected to continue to drive demand for commodities in the long-term

Our uniquely diversified portfolio of low cost and high quality assets places us at a competitive advantage in the current uncertain environment

Our strong cash flow and balance sheet allows us to re-invest throughout the cycle

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 around the end of 2008

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

Slide 21
Questions and Answers

Slide 22
BHP Billitons
senior management team
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

Slide 23

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

New Zealand toll free:

0800 668 228

For other callers:

+61 3 9415 4365

For information about your shareholding contact:

Within Australia:

1300 656 780

Outside Australia:

+61 3 9415 4020

Fax:

+61 3 9473 2460

BHP

Billiton

Shareholder

Services

-

Computershare

