

Edgar Filing: RIO TINTO PLC - Form 425

RIO TINTO PLC
Form 425
November 13, 2007

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

And

Rio Tinto Limited

Commission file No.: 000-20122

Date: 12 November 2007

The following are slides comprising an investor presentation that was first given on November 12, 2007.

12 November 2007
BHP Billiton and Rio Tinto
Unlocking Value

Page 2

Page

Disclaimer

This document has been prepared by BHP Billiton Ltd and BHP Billiton Plc ("BHP Billiton") and comprises the written material in combination with Rio Tinto Ltd and Rio Tinto plc ("Rio Tinto"). By reviewing/attending this presentation you agree to be bound by its terms. The directors of BHP Billiton accept responsibility for the information contained in this presentation. Having taken all reasonable steps to ensure the accuracy of this information, we do not accept any liability for any loss or damage arising from this presentation.

presentation
is,
to
the
best
of
the
knowledge
and
belief
of
the
directors
of
BHP
Billiton,
in
accordance
with
the
facts
and
contains
no
omission
likely
to
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 law, neither BHP Billiton nor any of its directors, officers, employees or advisers nor any other person shall have any liability arising, directly or indirectly, from any use of this information or its contents or otherwise arising in connection therewith.

This presentation is for information purposes only and does not constitute or form part of any offer or invitation to acquire, sell or otherwise dispose of, purchase or subscribe for, any securities, nor does it constitute investment advice, nor shall it or any part thereof be relied

on
in
connection
with,
any
contract
or
investment
decision,
nor
does
it
constitute
a

proposal
to
make
a
takeover
bid
or
the
solicitation
of
any
vote
or
approval
in
any
jurisdiction,
nor shall

there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration under an exemption from such requirements). No offering of securities shall be made into the United States except pursuant to an exemption therefrom.

Neither this presentation nor any copy of it may be taken or transmitted or distributed or redistributed (directly or indirectly) in jurisdictions

may
be
restricted
by
law
and
persons
into
whose
possession
this
document
comes
should
inform
themselves
about,
and
observe,
any
such restrictions.

This presentation is directed only at persons who (i) are persons falling within Article 49(2)(a) to (d) ("high net worth companies") of the Financial Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order") or (ii) have professional experience in matters relating to securities (iii) are outside the United Kingdom (all such persons being referred to as "relevant persons"). This presentation must not be a prospectus. Information about Rio Tinto and Alcan Inc. (Alcan) included in this presentation is based on public information which has not been verified. Information about BHP Billiton included in this presentation is sourced from publicly available third party sources. As such it may not correspond to the views held by BHP Billiton.

Certain statements in this presentation are forward-looking statements. Forward-looking statements include any synergy statements
words
such
as
"intends",
"expects",
"anticipates",
"targets",
"plans",
"estimates"
and
words
of
similar
import.
Such
forward-looking
information
includes,
without
limitation,
the
statements
as to
the impact of the proposed transaction on revenues, costs and earnings. These forward-looking statements speak only as at the
current
expectations
and
beliefs
and,
by
their
nature,
are
subject
to
a
number
of
known
and
unknown
risks
and
uncertainties
that
could
cause
actual
results,

performance
and
achievements to
differ materially from any expected future results, performance or achievements expressed or implied by such forward-looking
numerous
assumptions
regarding
BHP
Billiton's
present
and
future
business
strategies
and
the
environments
in
which
BHP
Billiton
and
Rio
Tinto
will
operate
in
the
future
and
such assumptions
may or may not prove to be correct.

Page 3
Page 3
Disclaimer
(Continued)
There
are
several

factors
which
could
cause
actual
results
or
performance
to
differ
materially
from
those
expressed
or
implied
in
the
forward-looking
statements.

Factors
that
could
cause
actual
results
or
performance
to
differ
materially
from
those
described
in
the
forward-looking
statements
include,
but
are
not
limited
to,
BHP
Billiton's
ability
to
successfully
combine

the
businesses
of
BHP
Billiton
and
Rio
Tinto
and
to
realise
expected
synergies
from
that
combination,
the
presence
of
a
competitive
proposal
in
relation
to
Rio
Tinto,
satisfaction
of
any
conditions
to
any
proposed
transaction,
including
the
receipt
of
required
regulatory
and
anti-trust
approvals,
Rio
Tinto's
willingness
to
enter
into

any
proposed
transaction,
the
successful
completion
of
any
transaction,
as
well
as
additional
factors
such
as
changes
in
global,
political,
economic,
business,
competitive,
market
or
regulatory
forces,
future
exchange
and
interest
rates,
changes
in
tax
rates,
future
business
combinations
or
dispositions
and
the
outcome
of
litigation
and
government
actions.
Additional

risks
and
factors
that
could
cause
BHP
Billiton
results
to
differ
materially
from
those
described
in
the
forward-looking
statements
can
be
found
in
BHP
Billiton's
filings
with
the
US
Securities
and
Exchange
Commission
("SEC"),
including
BHP
Billiton's
Annual
Report
on
Form
20-F
for
the
fiscal
year-ended
December
31,
2006,
and

Alcan's filings with the SEC, including Alcan's Annual Report on Form 20-F for the fiscal year-ended December 31, 2006, which are available at the SEC's website (<http://www.sec.gov>). Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. The information and opinions

expressed
in
this
presentation
are
subject
to
change
without
notice
and
BHP
Billiton
expressly
disclaims
any
obligation
(except
as
required
by
law
or
the
rules
of
the
UK
Listing
Authority
and
the
London
Stock
Exchange,
the
UK
Takeover
Panel,
or
the
listing
rules
of
ASX
Limited)
or
undertaking
to
disseminate

any
updates
or
revisions
to
any
forward-looking
statements
contained
herein
to
reflect
any
change
in
BHP
Billiton's
expectations
with
regard
thereto
or
any
change
in
events,
conditions
or
circumstances
on
which
any
such
statement
is
based.
None
of
the
statements
concerning
expected
cost
savings,
revenue
benefits
(and
resulting
incremental
EBITDA)

and
EPS
accretion
in
this
presentation
should
be
interpreted
to
mean
that
the
future
earnings
per
share
of
the
enlarged
BHP
Billiton
group
for
current
and
future
financial
years
will
necessarily
match
or
exceed
the
historical
or
published
earnings
per
share
of
BHP
Billiton,
and
the
actual
estimated
cost
savings

and
revenue
benefits
(and
resulting
EBITDA
enhancement)
may
be
materially
greater
or
less
than
estimated.
Goldman
Sachs
International
and
its
affiliates,
and
Gresham
Partners
are
acting
for
BHP
Billiton
and
no-one
else
in
connection
with
the
proposals
referred
to
in
this
presentation
and
will
not
be
responsible
to
any
other

person
for
providing
the
protections
afforded
to
their
respective
clients,
or
for
providing
advice
in
relation
to
such
proposals
or
any
other
transaction,
arrangement
or
matter
referred
to
herein.
In
connection
with
BHP
Billiton's
proposed
combination
with
Rio
Tinto
by
way
of
the
proposed
Schemes
of
Arrangement
(the
"Schemes"),
the

new
BHP
Billiton
shares
to
be
issued
to
Rio
Tinto
shareholders
under
the
terms
of
the
Schemes
have
not
been,
and
will
not
be,
registered
under
the
US
Securities
Act
of
1933,
as
amended,
or
under
the
securities
laws
of
any
state,
district
or
other
jurisdiction
of
the
United
States,

and
no
regulatory
clearances
in
respect
of
the
new
BHP
Billiton
shares
have
been,
or
(possibly
with
certain
limited
exceptions)
will
be,
applied
for
in
any
jurisdiction
of
the
United
States.
It
is
expected
that
the
new
BHP
Billiton
shares
will
be
issued
in
reliance
upon
the
exemption
from
the

registration
requirements
of
the
US
Securities
Act
provided
by
Section
3(a)(10)
thereof.

In the event that the proposed Schemes do not qualify (or BHP Billiton otherwise elects pursuant to its right to proceed with the exemption from the registration requirements of the US Securities Act, BHP Billiton would expect to register the offer and sale of Rio Tinto ADS holders by filing with the US Securities and Exchange Commission (the "SEC") a registration statement (including a Prospectus), as well as other relevant materials. No such materials have yet been filed. This communication is not a substitute for the registration statement and prospectus that BHP Billiton may file with the SEC.

US
INVESTORS
AND
US
HOLDERS
OF
RIO
TINTO
SECURITIES
AND
ALL
HOLDERS
OF
RIO
TINTO
ADSs
ARE
URGED
TO
READ
THE
REGISTRATION
STATEMENT
AND
PROSPECTUS
AND
ANY
OTHER
DOCUMENTS
MADE
AVAILABLE
TO
THEM

AND/OR
FILED
WITH
THE
SEC
REGARDING
THE
POTENTIAL
TRANSACTION,
AS
WELL
AS
ANY
AMENDMENTS
AND
SUPPLEMENTS
TO
THOSE
DOCUMENTS,
IF
AND
WHEN
THEY
BECOME
AVAILABLE,
BECAUSE
THEY
WILL
CONTAIN
IMPORTANT
INFORMATION.

If and when filed, investors and security holders will be able to obtain a free copy of the Registration Statement and Prospectus
SEC's

website (<http://www.sec.gov>), once such documents are filed with the SEC. Copies of such documents may also be obtained from
the SEC.

References
in
this
presentation
to
\$
are
to
United
States
dollars
unless
otherwise
specified.

Page 4

Page 4

Agenda

I.

The proposal

II.

Market environment

III.

Unlocking value

IV.

Creating a minerals industry super-major

V.

Attractive and deliverable proposal

VI.

Conclusion: a unique combination to unlock value

Page 5
Page 5
I.
The proposal

Page 6

Page 6

BHP Billiton and Rio Tinto:

Creating a minerals industry super-major

BHP Billiton approached Rio Tinto on November 1 with a proposal to combine the two companies

Rio Tinto has not agreed to engage in discussions

The proposal sets out a unique opportunity to unlock value for shareholders

Optimising mineral basin asset positions and infrastructure utilisation

Enhancing the platform for future growth

Delivery of synergy and combination benefits

Attractive value proposition for all shareholders

Benefits for customers and communities

Importantly, BHP Billiton believes that the proposal is deliverable

Page 7

Page 7

Summary of key elements of the proposal

All share proposal of 3 BHP Billiton shares for 1 Rio Tinto share

Attractive value at a premium of 28% to the combined volume-weighted

average
market
capitalisation
over
the
one
month
pre-approach

Proposal values Rio Tinto s
issued ordinary shares at \$153B

(b)
, equivalent to

£56.28 per Rio Tinto plc share

(b)(c)

A\$138.30 per Rio Tinto Ltd share

(b)

Continued participation of Rio Tinto shareholders through 41% ownership of
combined group

(d)

Intended
initial
share
buy-back
of
approximately
\$30B
following
completion

Two inter-conditional schemes of arrangement for Rio Tinto plc and Rio Tinto Ltd

BHP Billiton is seeking the support and recommendation of the Rio Tinto Board

Notes:

a)

Premium based on the combined volume-weighted market capitalisation of Rio Tinto based on the volume-weighted average c
Rio Tinto Ltd respectively and volume-weighted average closing share prices over the month ended 31-Oct-2007 of BHP Billi
issued

ordinary
shares
outstanding
(excluding
Treasury
shares
and
cross

shareholdings
eg.
Rio
Tinto
plc's
shareholding
in
Rio
Tinto
Ltd)
as
at
9-Nov-2007
and
exchange
rates
of
2.077
US\$/£
and
0.927
US\$/A\$
as
at
31-Oct-
2007.
b)
Based
on
BHP
Billiton
Plc
and
BHP
Billiton
Ltd
closing
share
prices
of
£18.31
and
A\$46.10
respectively
and
exchange
rates
of
2.077
US\$/£

and
0.927
US\$/A\$
as
at
31-Oct-2007,
and
Rio
Tinto
plc
and
Rio
Tinto
Ltd
issued
ordinary
shares
outstanding
(excluding
Treasury
shares
and
cross
shareholdings
eg.
Rio
Tinto
plc s
shareholding
in
Rio
Tinto
Ltd)
as
at
9-Nov-2007.
c)
Value
per
Rio
Tinto
plc
share
assumes
Rio
Tinto
plc
shareholder
receives
consideration

as
a
mix
of
80%
BHP
Billiton
Plc
and
20%
BHP
Billiton
Ltd,
and
an
exchange
rate
of
0.446
£/A\$
on
31-Oct-2007.

d)
Calculated before intended initial share buy-back (or an other appropriate mechanism); assumes that all Rio Tinto options estimated resulting

Rio
Tinto
shares
exchanged
for
BHP
Billiton
shares. This
may
be
effected
through
an
other
appropriate
mechanism,
to
be
determined
at
a
later
date.

e)
This may be effected through other appropriate mechanism, to be determined at a later date.

- (a)
- (e)

Page 8

Page 8

II.

Market environment

Page 9

Page 9

China is industrialising, India following

Source: IMF and BHP Billiton estimates.

a)

Sales volume converted to copper equivalent units.

0

500
1,000
1,500
2,000
2,500
3,000
3,500
4,000
4,500
5,000

China's rate of industrialisation is strong and growing

India's GDP currently 10-15 years behind China

BHP Billiton's equivalent sales volume to India in FY2007 was greater than to China in FY2002

(a)
GDP
(\$B)
China
India

Page 10

Page 10

Chinese growth is driving global materials demand

Source: IISI and BHP Billiton estimates.

Note crude steel production growth calculated based on the change in annual production between years ended 1996 and 2006.

0

250

500
750
1,000
1,250
1996
2006

Crude steel production

(mt)

China

USA

Japan

Europe

Other

India

65%

20%

6%

4%

4%

1%

Crude steel production growth (1996-2006)

(mt)

China

USA

Japan

Europe

Other

100% = 494

India

Page 11

Page 11

Demand growth to continue

Source: World Bank, OECD (GDP at Purchasing Power Parity), and IISI.

Steel intensity per capita

(kg Steel/Capita)

0

200
400
600
800
1,000
1,200
0
5,000
10,000
15,000
20,000
25,000
30,000
35,000
40,000
45,000
GDP/Capita (PPP, Jan. 2006 \$)
USA (1900-2005)
Japan (1950-2005)
S. Korea (1970-2005)
Taiwan (1970-2005)
China (1970-2005)
India (2005)

Page 12
Page 12
III.
Unlocking value

Page 13

Page 13

Keys to unlocking value

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

Economies
of
scale

especially
procurement

Avoid duplication, reduce corporate and divisional non-operating costs

Accelerate tonnage delivered to market

1
3
2

Page 14

Page 14

Optimising mineral basin positions and infrastructure

Selected existing BHP Billiton and Rio Tinto assets, projects and concessions.

1

3

6

35
36
2
4
5
7
8
10
11
12
9
14
16
15
19
20
21
22
23
18
17
24
25
26
27
28
29
3230
30
31
34
33
38
39
40
41
34
35
36
39
14
16
37
38
40
21
20
3
11
10

12
45
29
31
19
4
6
7
23
2
22
28
24
26
1
18
8
9
41
5
27
33
32
43
44
15
1
37
42
45
46
49
47
48
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65

66
67
68
13
BHP Billiton
Rio Tinto
Queensland
Coal
Resolution, Pinto Valley
and Kennecott
Hunter
Valley
Coal
26
26
26
26
26
48
Mt Thorley
Warkworth
Hunter Valley Ops
Mt Arthur Coal
Bengalla
Mt Pleasant
Gladstone
Hay Point
Mineral
Sands
Ekati
and Diavik
48
26
Ekati
Diavik
48
26
Pinto Valley
Resolution
48
Corridor Sands
48
26
26
QMM
WA
Iron Ore
Port Hedland
Dampier
Cape Lambert

48
Mt Goldsworthy
48
48
48
Mining Area C
Yandi
26
Hamersley IO
26
Robe River
Goonyella
Riverside
Broadmeadow
Dalrymple
48
Blackwater
48
Gregory
26
Kestrel
48
Norwich
Park
48
Saraji
48
Peak Downs
26
Blair Athol
48
48
48
48
48
26
Hail Creek
Mt Newman
26
Kennecott
Joint
South
Water Creek
Poitrel
26
24

Page 15
Pilbara
Port
BHP Billiton deposit / mine / port
Rio Tinto railway
Rio Tinto railway (proposed)
BHP Billiton railway

Rio Tinto deposit / mine / port

Example: matching reserves and infrastructure (WAIO)

1

Notes:

a)

BHP Billiton estimates.

Rio Tinto

BHP Billiton

Incremental

Iron ore volume growth options unlocked

(a)

BHP Billiton village

Rio Tinto

undeveloped

d

Rio Tinto

operations

BHP Billiton

o

perations

HI

village

HI Yandi

BHP Billiton

Yandi

Page 16

Page 16

Selected existing BHP Billiton and Rio Tinto project pipeline and exploration permits.

Source:

Rio

Tinto

Fact

Book
2007,
Rio
Tinto
press
releases
(03-Jul-2007,
28-Jun-2007,
02-Aug-2007),
Rio
Tinto
and
Alcan
company
presentation
12-Jul-2007,
Recommended
cash
offer
for
Alcan
by
Rio Tinto ,
and BHP Billiton estimates.
2
Enhanced platform for future growth
Unlocking value from future mineral provinces
Joint
38371
2
3
2
136
2
4
8
2
12
2
6
9
3
0
3
21
9
7
1
5
1

0
2
5
1
8
2
2
6
9
1
8
2
0
1
9
2
1
0
2
2
3
5
15
18
27
7
1
9
5
4
6
11
23
BHP Billiton
Rio Tinto
2¹
0
9
25
6
4
26
1
4
2
7
12
24
1
4

1
6
167
7
28
1
1
1
2
6
1
7
2
8
31
32
33
34
35
39
40
47
48
49
50
52
54
55
63
65
68
31
33
34
40
41
29
1
2
62
58
56
51
38
30
32
35
36
39
42

43
45
46
47
47
48
49
50
51
52
53
54
55
3
41
42
43
44
45
46
53
57
59
60
61
64
37
66
67
67
49
67
67
67
67
67
67
67
67
67
67
67
67
67
67
50

Lessons from:

- Ekati
/ Diavik
- Escondida
/ Zaldivar

-
Yandicoogina
Iron Ore,
Bauxite
Coal
Bauxite
Coal
Diamonds
,
Copper
Nickel
,
Ind. Minerals
Iron Ore
Nickel
,
Coal
Copper
Nickel

Page 17

Page 17

Example: efficient infrastructure development

2

Source: Various Rio Tinto company presentations, and BHP Billiton.
Guinea Bauxite

A major source of
the world's bauxite
potential resources

BHP Billiton leading
its development
Guinea Iron Ore

Large, undeveloped
high-quality deposits

Deposits under
development by BHP
Billiton and Rio Tinto with
significant potential
infrastructure and other
synergies

Senegal

Sierra Leone

Liberia

Cote d'Ivoire

Mali

Guinea-Bissau

Guinea

BHP Billiton

Exploration License

Rio Tinto Mining Concession

BHP Billiton

Exploration Application

Planned Trans Guinean Railway

Liberian Rail System

Global Alumina Mining Concession (33% BHPB)

Page 18

Page 18

Unique synergies and combination benefits

Material quantifiable synergies and financial benefits

Unique to this combination due to substantial overlap in neighbouring

and
jointly-owned operations

Incremental
EBITDA
impact
growing
to
estimated
\$3.7B
(a)
*

\$1.7B*
nominal
per
annum
from
cost
savings
expected
by
Year
3
(b)
; plus

Further EBITDA enhancement of \$2.0B*
nominal per annum driven
primarily
by
the
acceleration
of
volumes
expected
by
Year
7
(b)

Total estimated one-off implementation cash costs related to achieving these
synergies
of
\$0.65B*
over
Years
1
and
2

(b)

Other combination benefits expected

* To

be

read

in

conjunction

with

the

notes

in

Appendix

1

of

BHP

Billiton

announcement

dated 12-Nov-2007, Further Details On BHP Billiton's Proposal .

a)

Full run rate synergies expected by Year 7.

b)

Relates to number of full years following completion.

3

Page 19

Page 19

Anticipated cost savings EBITDA impact of \$1.7B

\$1.7B* EBITDA impact per annum from cost savings expected by Year 3

(a)

Operating costs

Economies of scale in operations and
procurement of goods and services

Corporate and divisional non-operating costs

Elimination of overlaps in head office /
administration, marketing, exploration and
technology

Delivery expected to be phased through Year 1

(c.35%),

Year

2

(c.85%)

and

Year

3

(100%)

(a)

* To

be

read

in

conjunction

with

the

notes

in

Appendix

1

of

BHP

Billiton

announcement

dated

12-Nov-2007,

Further

Details

On

BHP

Billiton s

Proposal .

a)

Relates to number of full years following completion.

Cost savings achievable

(\$B*)

3

Total = 1.7

56%

18%

26%

Operating

costs

Corporate

non-operating

costs

Divisional

non-operating

costs

Page 20

Page 20

Anticipated further EBITDA enhancement of \$2.0B

\$2.0B* further EBITDA enhancement per annum expected by Year 7

Accelerate tonnage produced by optimising key mineral basins, assets and

infrastructure

Match infrastructure and resources in iron ore

Other asset optimisations

(NSW coal, Canadian diamonds, RBM/QIT)

Delivery expected to start in Year 4, and phased through Year 5 (c.25%), Year 6 (c.65%) and

Year

7

(100%)

(a)

3

* To

be

read

in

conjunction

with

the

notes

in

Appendix

1

of

BHP

Billiton

announcement

dated

12-Nov-2007,

Further

Details

On

BHP

Billiton s

Proposal .

a)

Relates to number of full years following completion.

(a)

Page 21

Page 21

Unlocking value: conclusions and observations

* To

be

read

in

conjunction
with
the
notes
in
Appendix
1
of
BHP
Billiton
announcement
dated
12-Nov-2007,

Further
Details

On
BHP
Billiton's
Proposal .

a)
Full run rate synergies expected by Year 7

b)
Relates to number of full years following completion.

This combination unlocks a very material and unique pool of value

More production, faster and lower cost; enhanced future growth options;
traditional synergies

Quantifiable
value;
incremental
EBITDA
impact
growing
to
estimated
\$3.7B
(before realisation
costs)

The core consideration of the proposal is how this value would be shared

All
share
proposal:
both
BHP
Billiton
and

Rio
Tinto
shareholders
benefit

Rio Tinto shareholders: an increased share by way of the premium

BHP Billiton shareholders: a fair proportion of the value pool
(a)*

Page 22

Page 22

IV.

Creating a minerals industry super-major

Page 23

Page 23

Consistent with our strategy and investment proposition

Our strategy

Large, low-cost assets which are consistently profitable through the cycle

Focus on the extraction of upstream natural resources

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

Deep inventory of growth options

Focus on globally traded products

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

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

Our investment proposition

Strong cashflows through the cycle

Volume and value growth

Page 24
Page 24
Portfolio of tier 1 assets: low cost
2006
cost
curves
based

on
BHP
Billiton
estimates,
public
company
filings,
CRU,
Barlow
Jonker
and
Brook
Hunt
data.

Quartiles
calculated

as a percentage of total production reported.

Note: Orange shading represents assets owned by the combined company post transaction.

Iron ore CIF cost curve

(\$/dmt)

Hard coking coal FOB cost curve

(\$/t)

Copper C1 cash cost curve

(c/lb)

Alumina C1 cash cost curve

(\$/t)

0

50

100

150

200

250

300

350

0%

25%

50%

75%

100%

0

20

40

60

80

100

0%

25%

50%

75%

100%

0
20
40
60
80
0%
25%
50%
75%
100%
-120
-80
-40
0
40
80
120
160
200
25%
50%
75%
100%

Page 25

Page 25

Unique portfolio of tier 1 assets: scale

Iron ore (Mt)

Copper mines (Kt)

Bauxite mines (Kt)

2006 Production

Edgar Filing: RIO TINTO PLC - Form 425

Sources: 2006 data. CRU for iron ore, Brook Hunt for copper and bauxite.

Note: Orange represents assets owned by the combined company post transaction. Orange and grey shading represents assets w

a)
Rio Tinto owns 40% of the Grasberg Joint Venture. The Grasberg mine is owned 91% by Freeport-McMoRan Copper & Gold

0
50
100
150
CVRD South
BHPB -
Pilbara
Rio -
Hamersley
CVRD North
Rio - Robe
Caemi System
Sishen
Ciudad Piar
Lebedinsky
Mikhailovsky
0
7,000
14,000
21,000
Huntly
Trombetas
(26.8%)
Weipa
Boké
(23.0%)
Boddington
Willowdale
Gove
Discovery Bay
Los Pijiguaos
Turgai
0
500
1000
1500
Escondida
Codelco Norte
Grasberg (a)
(40%)
Collahuasi
El Teniente
Norilsk
Antamina
(33.8%)
Morenci

Los Pelambres
Rudna

Page 26

Page 26

Portfolio of tier 1 assets: product diversification

Source:

BHP

Billiton

2007
Annual
Report,
Rio
Tinto

2006
Annual
Report
and
2007HY
Report,
Alcan

2006
10K
filing
and
2007
2nd
Quarter
10Q
filing.

Note: Underlying EBITDA excludes exceptional items and net finance costs, taxation and depreciation for jointly controlled entities

a)
Rio
Tinto
financials
include
Alcan
(excluding
discontinued
operations),
for
the
twelve
months
ended
30-Jun-2007.
Aluminium
EBITDA
calculated
as
total
Rio
Tinto
Aluminium
underlying
EBITDA
plus

total
Alcan
underlying
EBITDA
less
Alcan
Packaging
and
Engineered
Products
Business
Group
Profit.
b)
Excludes
any
acquisition
accounting
adjustments,
synergies
and
the
potential
impact
of
adjusting
the
accounting
policies
of
Rio
Tinto
to
those
of
BHP
Billiton.

Underlying EBITDA (12 months to Jun-2007)

(\$B)

31%

31%

31%

24%

22%

20%

25%

16%

9%

10%

17%

9%

16%

5%

7%

4%

7%

4%

2%

6%

3%

BHP Billiton

Rio Tinto(a)

Combined Company(b)

23.0

17.2

40.2

Base Metals

Iron Ore, Manganese & Met Coal

Aluminium

Stainless Steel Materials

Petroleum

Energy Coal

Diamonds & Specialty Products

Other

Page 27

Page 27

Portfolio of tier 1 assets: geographic diversity and fiscal stability

49%

28%

11%

12%
Pro forma assets by geography
(\$B)
100% = 91.4
Source:
BHP
Billiton

2007
Annual
Report,
Rio
Tinto
and
Alcan
pro
forma
sourced
from
Rio
Tinto
and
Alcan
company
presentation
12-Jul-2007,
Recommended
cash
offer
for
Alcan
by
Rio
Tinto .
Notes:

-
No adjustment to accounting policies has been made for the purposes of comparison. Alcan's assets have not been adjusted to

-
BHP Billiton assets equal to total assets less investments in jointly controlled entities and unallocated assets as at 30-Jun-2007.

-
Rio Tinto and Alcan based on PP&E, intangible assets and goodwill as at 31 December 2006.

Australia
North America
Europe
South America,
Southern Africa
and Other

High proportion of core assets
in fiscally stable countries

A sound foundation for future
ventures into new mineral
provinces

Page 28

Portfolio of tier 1 assets: deep project pipeline

Source: Rio Tinto Fact Book 2007, Rio Tinto press releases (03-Jul-2007, 28-Jun-2007, 02-Aug-2007), Rio Tinto and Alcan co

* Note Olympic Dam expansion shown under both Base Metals and Energy.

a)

Includes BHP Billiton Energy Coal and Rio Tinto Energy projects.

Execution

Feasibility

KUC Pushback

Northparkes

Cortez Hills

Oyu Tolgoi

Pebble

Olympic Dam Exp*

Escondida 3rd
Concentrator

Resolution

Greens Creek Ext

Northparkes Ext

KUC Ext

Alaska Copper

Deep Cortez Hill

La Granja

WA Iron Ore RGP 3

WA Iron Ore RGP 4

Samarco
#3 Pellet
Plant

Hamersley Port &
Rail

Hope Downs

Cape Lambert Port

WA Iron
Ore RGP 5

Quantum 1

Quantum 2

Samarco
#4

Nimba

CW Africa Exp

Pilbara Expansion
to 320mt

Orissa

Corumba
II

Corumba
III

IOC options

Simandou

Rössing

Clermont

Klipspruit

Douglas -
Middleburg

Newcastle Port

Mt Arthur Coal UG

Navajo South

Mt Pleasant

Cerrejon
Opt Exp

Caroona

Rössing
Options

Sweetwater

Nth American Coal

ERA Options

Neptune

NWS Angel

NWS T5

Shenzi

Atlantis North

Pyrenees

Kipper

NWS Nth Rankin B

Angostura Gas

Browse LNG

Scarborough

Thebe

Macedon

Turrum

Shenzi North

Alumar Refinery

Yarwun

Sohar

1

Coega
Smelter

Worsley E&G

Guinea Alumina

Bakhuis

Adalco
Smelter

Ma'aden
Smelter

Sarawak Smelter

ISAL Smelter

Kitimat
Smelter

Boffa
/ Santou
Refinery

DRC Smelter

Alumina Options

Yarwun
Exp

Guinea Options

Ghana and
Madagascar
Options

Sohar
Line 2

Ekati Koala UG

Argyle UG

Diavik
Optimisation

QMM

PRC Argentina

Murowa

Ekati

Corridor Sands 1

Corridor Sands 2

Angola & DRC

Canadian Potash

RBM

Indian Diamonds

Cliffs

Yabulu

Ravensthorpe

Perseverance
Deeps

Eagle

CMSA Heap
Leaching

Hallmark

CMSA 3rd
Line

CMSA 4th
Line

Sulawesi Nickel

Maruwai 1

Maruwai 2

Daunia

Peak Downs Exp

Red Hill UG

Wards Well

Saraji

Blackwater
UG

Kennedy

Sth
African Coal

Hail Creek +

GEMCO Exp

Alloy Exp

SA Mn Ore Exp

Gabon

GEMCO Exp 2

Base

Metals

Iron Ore

Energy

(a)

Petroleum

Aluminium

Diamonds

& SP

Nickel

Met Coal

Manganese

Pre-

Feasibility

&

Future

Options

BHP Billiton

Rio Tinto

Joint

Page 29

Page 29

Creating a minerals industry super-major

Source: Company filings, Bloomberg and Datastream.

a)

Based

on

BHP
Billiton
Plc
and
BHP
Billiton
Ltd
closing
share
prices
of
£18.31
and
A\$46.10,
Rio
Tinto
plc
and
Rio
Tinto
Ltd
closing
share
prices
of
£44.90
and
A\$110.00, respectively and exchange rates of 2.077
US\$/£
and 0.927 US\$/A\$

as at 31-Oct-2007. BHP Billiton and Rio Tinto issued ordinary shares outstanding (excluding Treasury shares and cross shares) at 9-Nov-2007. Market capitalisation excludes impact of intended initial share buy-back (or an other appropriate mechanism).

b)
Source:
BHP
Billiton

2007
Annual
Report,
Rio
Tinto

2006
Annual
Report
and
2007HY
Report,
Alcan

2006

10K

filing

and

2007

2nd

Quarter

10Q

filing. Note: Underlying EBITDA excludes exceptional items

and net finance costs, taxation and depreciation for jointly controlled entities.

Top 10 metals & mining companies

Market capitalisation as at 9-Nov-2007 (\$B)

Top 5 company in the world by

market value

(a)

Pro forma FY2007 annual underlying

EBITDA of approximately \$40B

(b)

Increased index weighting in both

Australia and UK

Targeting a single A credit rating

A core investment holding

0

100

200

300

400

Southern Copper

Anglo Platinum

Freeport McMoRan

Chalco

Norilsk Nickel

Xstrata

Anglo American

CVRD

Shenhua

Combined

Company (a)

Page 30

Page 30

Page 30

V.

Attractive and deliverable proposal

Page 31

Page 31

Page 31

Compelling proposal for Rio Tinto shareholders

28% premium to the combined volume-weighted average market capitalisation over the one month pre-approach

(a)

41% share of combined group for Rio Tinto shareholders

(b)

Pro rata exposure to post combination synergies

Incremental EBITDA

impact

growing

to

estimated

\$3.7B

(c)

per

annum

All share proposal

No shareholder forced to exit

CGT rollover relief for eligible shareholders

(d)

Strengthened asset portfolio and future growth opportunities

Opportunity to

participate

in

intended

initial

share

buy-back

of

approximately

\$30B

(e)

BHP Billiton progressive dividend policy to be maintained

Benefits only achievable by this combination

Notes:

a)

Premium

based

on

the

combined

market

capitalisation

of
Rio
Tinto
based
on
the
volume-weighted
average closing share prices over the month ended 31-Oct-2007 of £43.09 and A\$109.20 for Rio Tinto plc and Rio Tinto Ltd respectively and
volume-weighted average closing share prices over the month ended 31-Oct-2007 of BHP Billiton Plc and BHP Billiton Ltd of A\$109.20
(excluding
Treasury
shares
and
cross
shareholdings
eg.
Rio
Tinto
plc's
shareholding
in
Rio
Tinto
Ltd)
as
at
9-Nov-2007
and
exchange
rates
of
2.077
US\$/£
and
0.927
US\$/A\$ as at 31-Oct-2007.

b)
Calculated before intended initial share buy-back (or an other appropriate mechanism); assumes that all Rio Tinto options estimated to be exercised are
shares exchanged for BHP Billiton shares.

c)
Full run rate synergies expected by Year 7. To be read in conjunction with the notes in Appendix 1 of BHP Billiton announcement dated 27-Sep-2007.

d)
With the potential exception of Rio Tinto plc shareholders in relation to any BHP Billiton Ltd shares received as consideration for the acquisition of Rio Tinto Ltd.

e)
This may be effected through an other appropriate mechanism, to be determined at a later date.

Page 32

Page 32

Page 32

Value enhancing for BHP Billiton shareholders

Pro-rata exposure to post combination synergies

Incremental EBITDA

growing
to
estimated
\$3.7B
(a)
per
annum

Strengthened asset portfolio and future growth

Cashflow per share accretive from the first full fiscal year following completion

(b)

Earnings per share accretive from the first full fiscal year following completion

(c)

Opportunity to

participate

in

the

intended

initial

share

buy-back

of

approximately

\$30B

(d)

Progressive dividend policy to be maintained

Benefits only achievable by this combination

Notes:

a)

Full run rate synergies expected by Year 7. To be read in conjunction with the notes in Appendix 1 of BHP Billiton announcement

b)

After adjusting for the intended initial share buy-back (or an other appropriate mechanism).

c)

After

adjusting

for

the

intended

initial

share

buy-back

(or

an

other

appropriate
mechanism)
and
excluding
depreciation
on
the
write-up
of
Rio
Tinto's
assets.

d)
This may be effected through an other appropriate mechanism, to be determined at a later date.

Page 33

Page 33

Broader stakeholders will benefit

Page 33

Customers

Increased product volumes to market more quickly

Expanded
product,
shipping
and
delivery
options

improved
security
of supply

Low cost, reliable producer through the cycle

Communities, employees and developing countries

Global leader in safety, community and environmental practices

Stable employer and employer of choice

Quality and depth of skills to explore, develop and operate

Trusted brand for partnership with developing countries
governments

Page 34
Page 34
Value of corporate renewal
BHP Billiton Ltd and Rio Tinto Ltd total
shareholder
return
(a)

Index

June 2001 = 100

Source: IRESS.

a)

As

at

31-Oct-2007.

Total

Shareholder

Return

(TSR)

calculated

as

the

increase

in

share

value

including

dividends

reinvested

at

the

date

of

receipt.

Assumes

Bluescope

Steel

shares received by BHP Billiton Ltd

shareholders

in

July

2002

were

immediately

monetised

with

proceeds

reinvested

in BHP Billiton Ltd.

BHP Billiton DLC merger was a catalyst

for corporate renewal and created a

superior platform for long term value

growth

Total shareholder return:

BHP Billiton Ltd TSR 30.2% per

annum

(a)

Rio Tinto Ltd TSR 23.2% per

annum

(a)

A\$10,000 invested at the date of
formation is today worth approximately

BHP Billiton Ltd: A\$53,317

(a)

Rio Tinto Ltd: A\$37,612

(a)

Estimated shareholder overlap ~60-70%

0

100

200

300

400

500

600

Jun-01

Mar-02

Nov-02

Jul-03

Apr-04

Dec-04

Aug-05

Apr-06

Jan-07

Sep-07

BHP Billiton

Rio Tinto

Page 35

Page 35

Page 35

A natural fit

low integration risk

Similar heritage, culture, values and strategy

Best of breed
management

Optimal
deployment
of
scarce
labour
resources

Successful track record of integration

Page 36

Page 36

Page 36

A deliverable proposal

Following a thorough anti-trust analysis, we believe any possible regulatory concerns can be readily addressed without impacting benefits in a meaningful way

Likely the regulatory focus will fall primarily on iron ore

Combined share of contestable iron ore sales approximately 27%

Prices
are
set
by
supply
and
demand
and
the
cost
of
the
marginal
production

Combined assets are low cost compared to marginal production; combination incentivised to maximise current production, invest in assets and increase supply

Emerging
and
new
low
cost
producers
will
increase
competition
in
a
rapidly
evolving marketplace

Obtaining regulatory approvals is expected to take between 9-12 months, allowing for a detailed review by the regulators

Notes:

a)

Based on 2006 market sales, inclusive of Chinese domestic production.

(a)

Page 37

Page 37

Page 37

Summary of key terms of the proposal

All share proposal of 3 BHP Billiton shares for every Rio Tinto share

Rio Tinto Ltd shareholders will receive BHP Billiton Ltd shares

Rio Tinto plc shareholders will receive 80% BHP Billiton Plc shares and 20% BHP Billiton Ltd shares (subject to mix and match)

41% Rio Tinto shareholder ownership of the combined group

(a)

Overall

28%

premium

to

the

combined

volume-weighted

average

market

capitalisation

over

the one month pre-approach

(b)

Overall 15% premium based on BHP Billiton's closing share prices on 9-Nov-2007 and Rio Tinto's

combined market capitalisation

immediately prior to BHP Billiton's announcement on

8-Nov-2007 in response to speculation of a potential offer

(c)

Notes:

a)

Calculated before intended initial share buy-back (or an other appropriate mechanism); assumes that all Rio Tinto options estimated and resulting Rio Tinto shares exchanged for BHP Billiton shares.

b)

Premium

based

on

the

combined

market

capitalisation

of

Rio

Tinto

based

on

the

volume-weighted

average

closing

share

prices
over
the
month
ended
31-Oct-2007

of
£43.09
and
A\$109.20

for
Rio
Tinto
plc
and

Rio Tinto Ltd respectively and volume-weighted average closing share prices over the month ended 31-Oct-2007 of BHP Billi

and
Rio
Tinto
issued
ordinary
shares
outstanding
(excluding
Treasury
shares
and
cross
shareholdings

e.g.
Rio
Tinto
plc s
shareholding
in
Rio
Tinto
Ltd)

as
at
9-Nov-2007
and
exchange
rates

of
2.077
US\$/£
and
0.927 US\$/A\$ as at 31-Oct-2007.

c)

Premium
based
on
the
combined
market
capitalisation
of
Rio
Tinto
based
on
the
closing
share
prices
of
Rio
Tinto
plc
of
£43.50
on
7-Nov-2007
and
Rio
Tinto
Ltd
of
A\$113.4
on
8-Nov-2007
and
closing
share
prices
of
BHP
Billiton
Plc
and
BHP
Billiton
Ltd
of
£16.28
and
A\$42.47
respectively
on

9-Nov-2007.
Based
on
BHP
Billiton
and
Rio
Tinto
issued
ordinary
shares
outstanding
(excluding
Treasury
shares
and
cross
shareholdings
eg.
Rio
Tinto
Plc s
shareholding
in
Rio
Tinto
Ltd)
as
at
9-Nov-2007
and
exchange
rates
of
2.095
US\$/£
and
0.914
US\$/A\$
as
at
9-Nov-2007.

Page 38

Page 38

Page 38

Summary of key terms of the proposal

DLC maintained with listings in UK and Australia of approximately equal size

BHP
Billiton
would
invite
a
number
of
Rio
Tinto s
independent
directors
to
the
combined Board

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

Structure
Board and
Management
Approvals /
conditions

Support and recommendation of Rio Tinto Board

Pre-conditional approval by merger control and other regulatory authorities in
EU, US, Australia, Canada and South Africa

BHP Billiton and Rio Tinto shareholder and court approvals

Separate interconditional
schemes of arrangement for each of Rio Tinto plc
and Rio Tinto Ltd
Process

Intended
initial
share
buy-back
of
approximately
\$30B
(a)
following
completion

Future capital management consistent with a single A rating target

Intended
share buy-back
Notes:

a)

This may be effected through an other appropriate mechanism, to be determined at a later date.

Page 39

Page 39

Page 39

VI.

Conclusion: a unique combination to unlock value

Page 40

Page 40

Page 40

BHP Billiton and Rio Tinto
unlocking value

Compelling value opportunity for Rio Tinto shareholders through an all-share proposal

41% share of combined group for Rio Tinto shareholders

(a)

Pro-rata exposure to EBITDA synergies growing to estimated \$3.7B per annum

Attractive value proposition for BHP Billiton shareholders

Benefits for customers and communities

Confident that anti-trust issues present no significant barriers to completion, and that any regulatory concerns can be addressed without impacting benefits in a meaningful way

This natural combination unlocks value, value not available by any other means

More production, faster and lower cost

Enhanced future growth options

Quantified traditional combination synergies are large

Creates a minerals industry super-major , a core investment holding

Notes:

a)

Calculated before intended initial share buy-back (or an other appropriate mechanism), assumes that all outstanding Rio Tinto BHP Billiton shares.

b)

Full run rate synergies expected by Year 7. To be read in conjunction with the notes in Appendix 1 of BHP Billiton announcement

(b)