

# Rio Tinto Iron & Titanium Titanium 2012 Conference - Atlanta

Jacko Preyser  
General Manager Sales & Marketing  
10 October 2012



# Cautionary statement

This presentation has been prepared by Rio Tinto plc and Rio Tinto Limited ("Rio Tinto") and consisting of the slides for a presentation concerning Rio Tinto. By reviewing/attending this presentation you agree to be bound by the following conditions.

## **Forward-looking statements**

This presentation includes forward-looking statements. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding Rio Tinto's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to Rio Tinto's products, production forecasts and reserve and resource positions), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Rio Tinto, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding Rio Tinto's present and future business strategies and the environment in which Rio Tinto will operate in the future. Among the important factors that could cause Rio Tinto's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, levels of actual production during any period, levels of demand and market prices, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, operational problems, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as changes in taxation or regulation and such other risk factors identified in Rio Tinto's most recent Annual Report on Form 20-F filed with the United States Securities and Exchange Commission (the "SEC") or Form 6-Ks furnished to the SEC. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this presentation.

Nothing in this presentation should be interpreted to mean that future earnings per share of Rio Tinto plc or Rio Tinto Limited will necessarily match or exceed its historical published earnings per share.

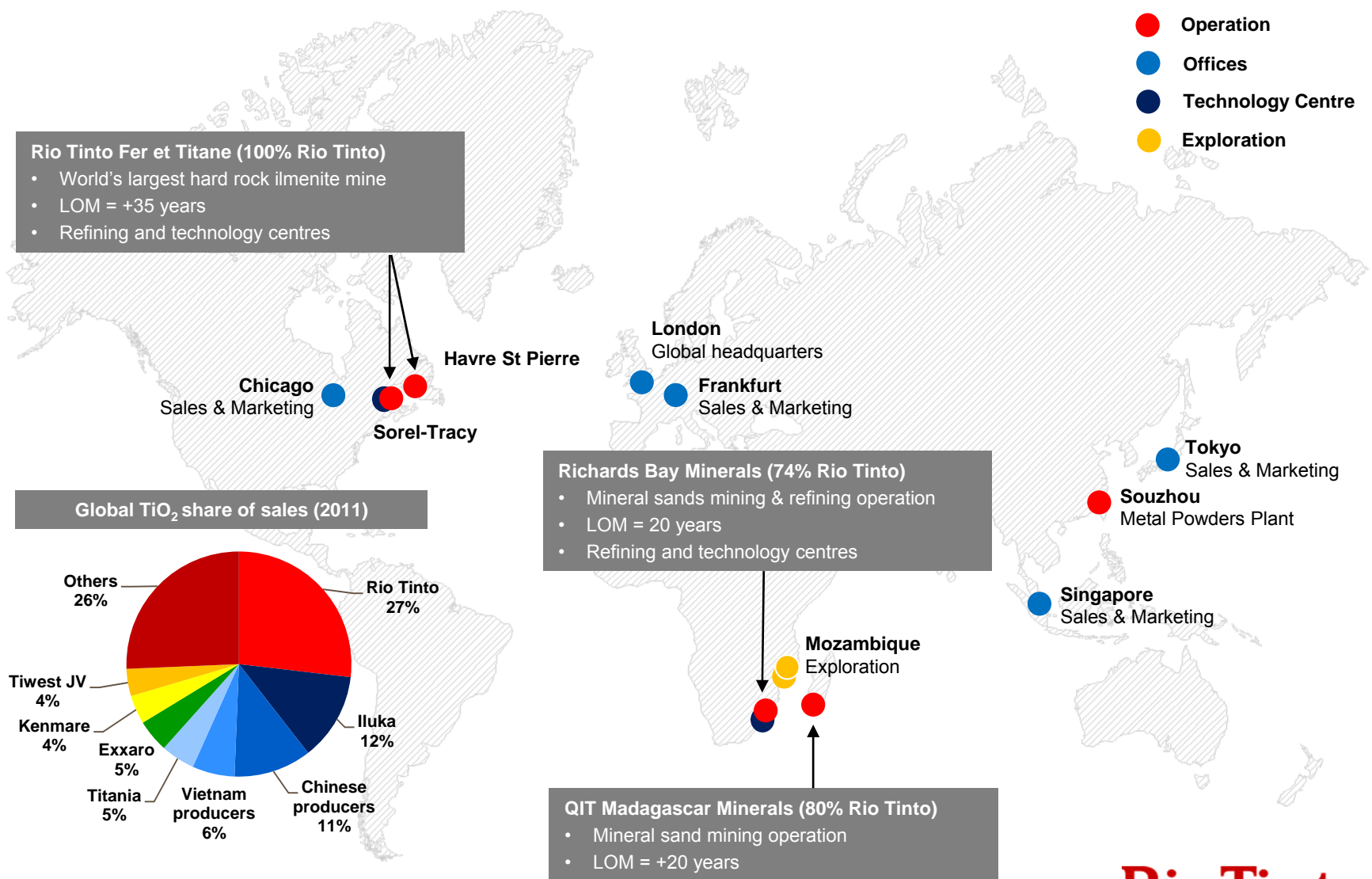
# Overview



- Asset base
- Operations
- Applications
- Demand drivers
- Industry fundamentals
- Price progression

# Unparalleled asset base

- Operation
- Offices
- Technology Centre
- Exploration



# Investing in large, long-life, low-cost expandable operations



## RBM

- Increasing stake to 74%
- One of world's lowest cost producers
- New tailings treatment plant adds 5 years to mine life; added some incremental rutile
- Evaluating options to develop Zulti South



## QMM

- 39% increase in production from H1 2011 to H1 2012
- Dry mining plant and dredge improvements
- Advancing expansion options



## RTFT

- Record production in 2011
- C\$800m planned investment over 5 years to extend mine life and improve efficiency
- Low cost energy supply
- Metallurgical complex is only one of its kind worldwide

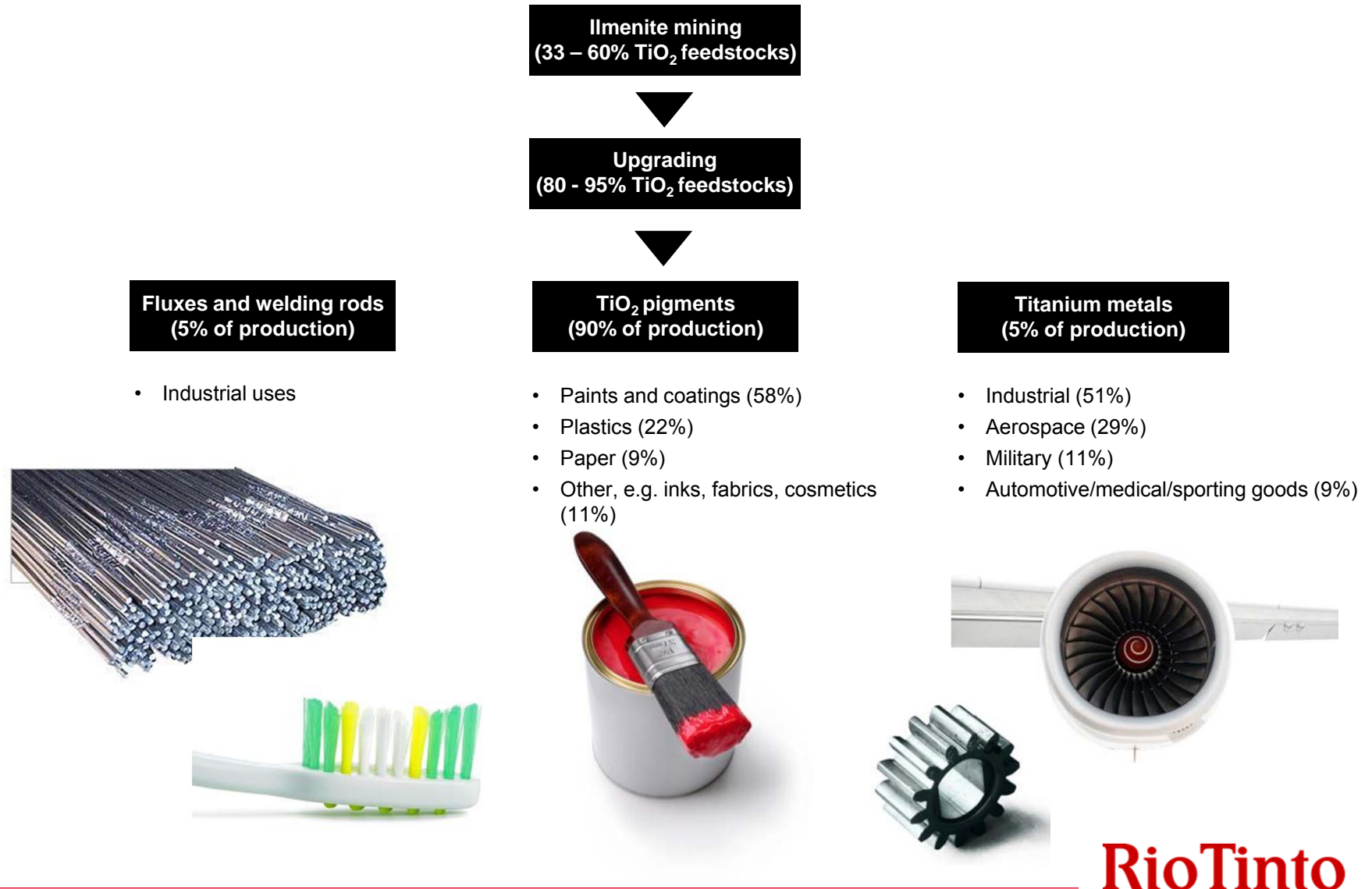


## Growth

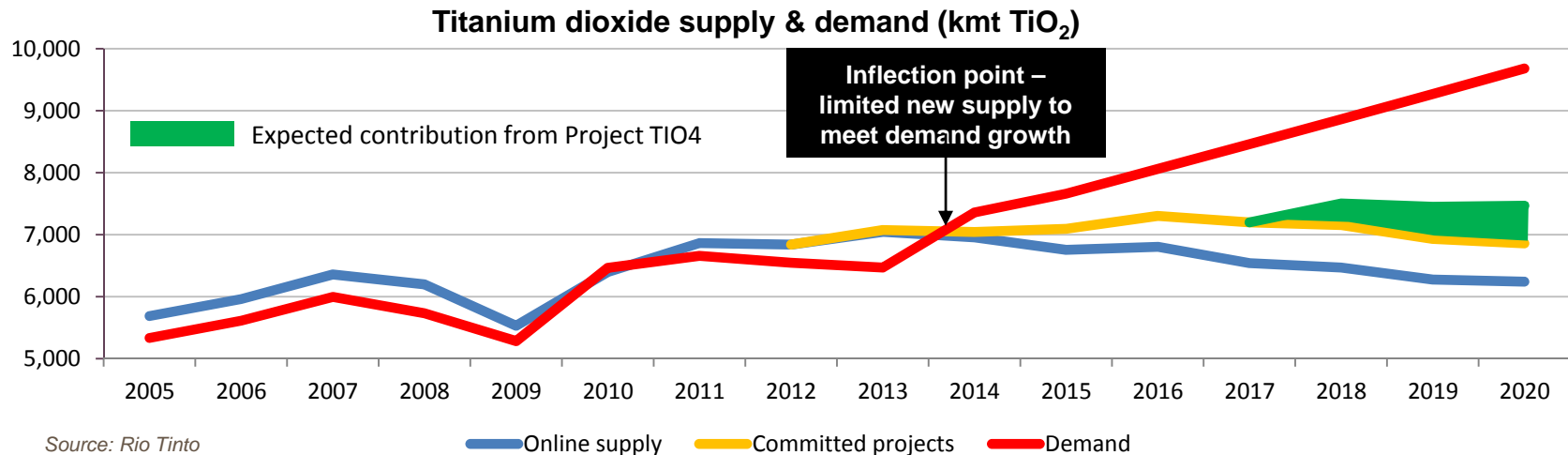
- Progressing order of magnitude studies at greenfield site in Mozambique
- Progressing prefeasibility studies for new mining and smelting capacity that holds potential to increase capacity by up to 50%

**RioTinto**

# Building blocks for the growing middle class



# Demand projected to outstrip supply in near term



## Supply Outlook

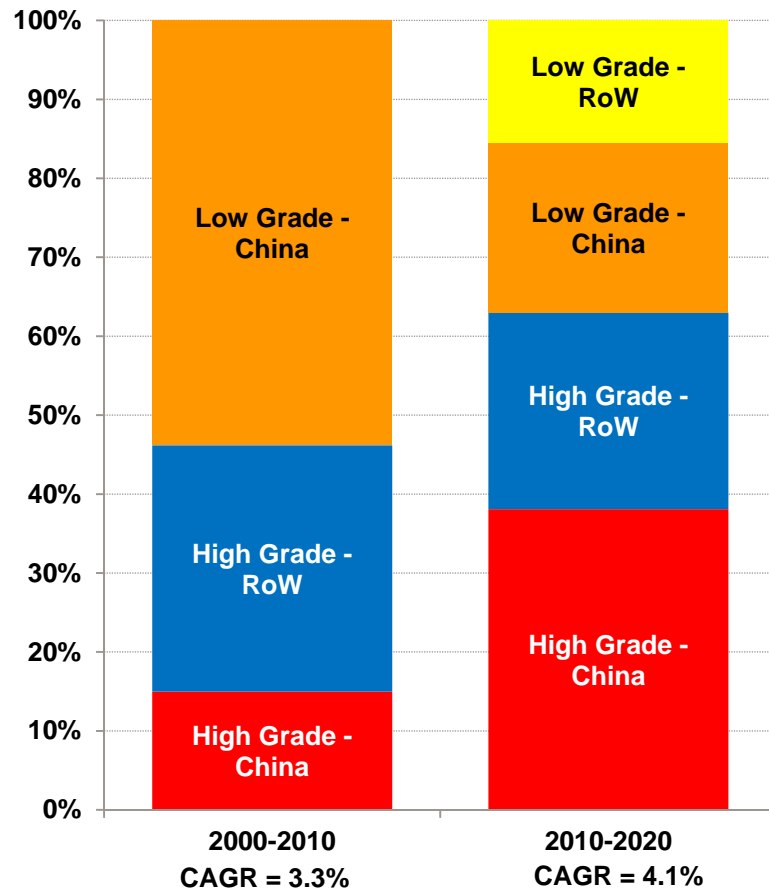
- Limited industry supply-side response; heavy reliance on inexperienced producers
- Growth in opportunistic low-value production (Vietnam)
- Renewed promotion of pre-existing projects with well-known technical, environmental, operational and regulatory challenges
- RTIT is undertaking studies to invest in mines and smelters to expand capacity by up to 40%

## Demand Outlook

- China will continue to drive growth, along with other emerging economies
- Demand growth in line with GDP for OECD economies
- Global demand is forecast to grow by 50% by 2020
- Growth rates in titanium metal in line with those for TiO<sub>2</sub> pigment

# Demand for higher grades outpacing lower grades

TiO<sub>2</sub> feedstock demand growth 2000 - 2020



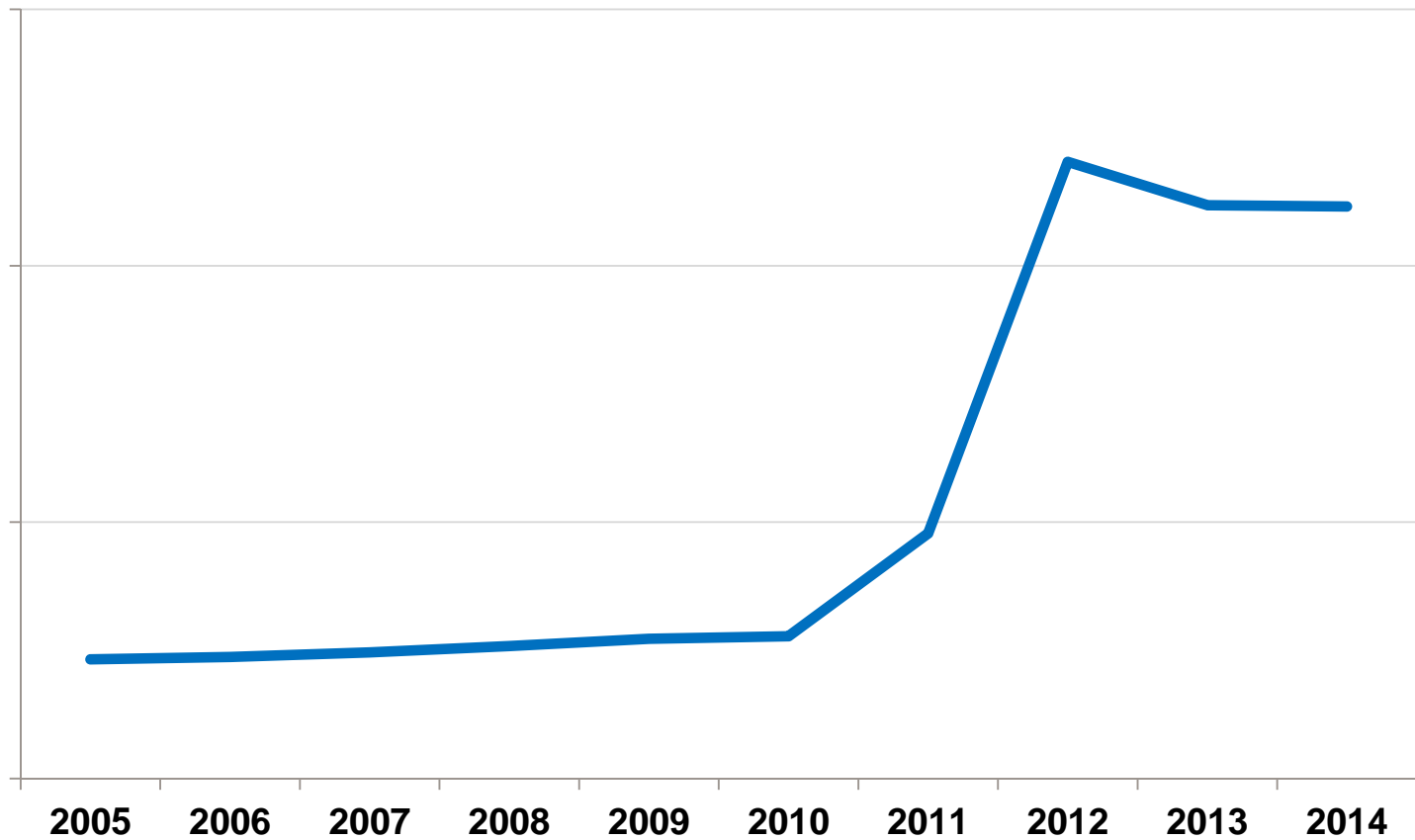
Source: Rio Tinto

- RTIT is global leader in high grade feedstock supply with 50% share of sales
- Demand growth for higher grades driven by rising environmental and productivity standards
- Higher grade feedstocks, particularly rutile, are preferred by titanium sponge producers
- Higher grades also convey a number of advantages to pigment producers:
  - Lowers volume and cost of waste disposal
  - Raises production volumes with more efficient capital expenditure
  - Lowers logistics costs and supports more operational flexibility



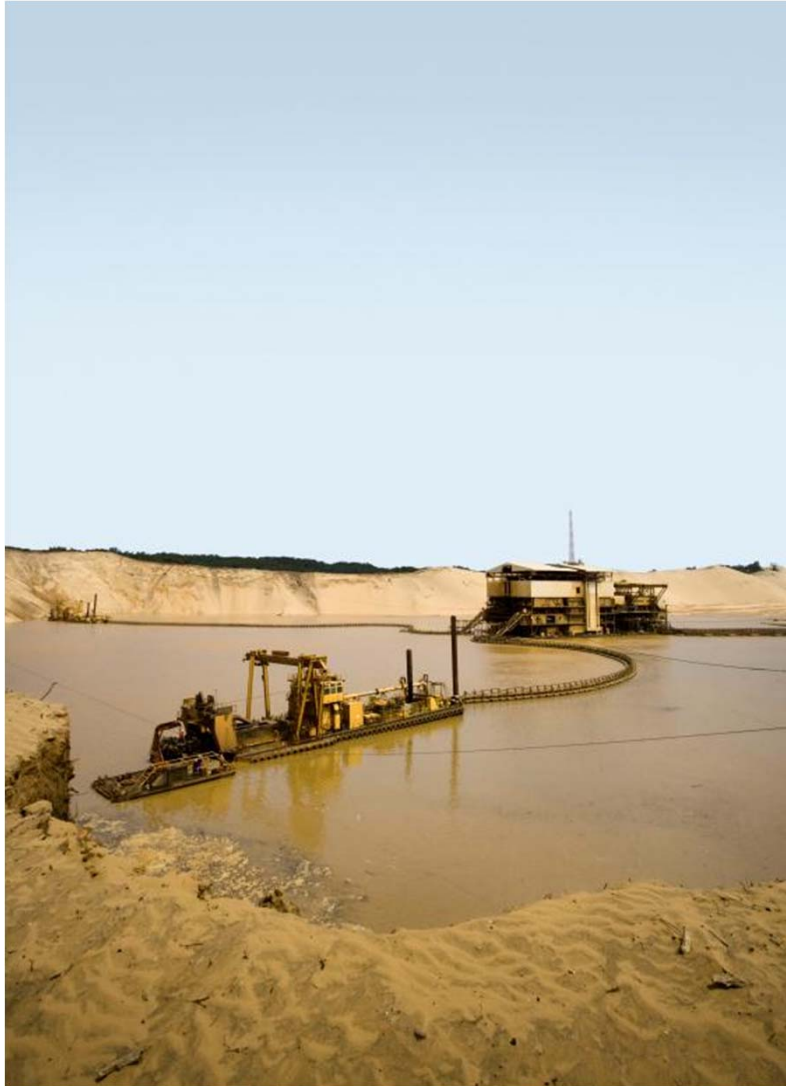
# Pricing outlook remains strong

Rutile price progression estimates, US\$/tonne nominal



Source: TZMI and broker reports

# Committed to supplying TiO<sub>2</sub> feedstocks



- Strong asset base and reserves position
- World leader in supply of high grade products – fastest growing sector
- Positioned to maintain competitive advantage through proprietary technology and products
- Advancing expansion options
- Build on Rio Tinto strengths – financial, technical, safety and sustainable development
- Deliver value to employees, shareholders and customers

Thank you

**RioTinto**