

Edgar Filing: RIO TINTO PLC - Form 425

RIO TINTO PLC
Form 425
June 03, 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 Alberto Calderon, Chief Commercial Officer, BHP Billiton on June 3, 2008.

Lehman Brothers
Alberto Calderon, Chief Commercial Officer
BHP Billiton
3 June 2008

Page 2
Page 2
Disclaimer
This
document
has
been

prepared
by
BHP
Billiton
Limited
and
BHP
Billiton
Plc
(BHP
Billiton")
and
comprises
the
written
materials/slides
for
a
presentation
concerning
BHP
Billiton's
offers
for
Rio
Tinto
Limited
and
Rio
Tinto
plc
(Rio
Tinto).
By
reviewing/attending
this
presentation
you
agree
to
be
bound
by
the
following
conditions.
The
directors
of
BHP

Billiton
accept
responsibility
for
the
information
contained
in
this
presentation.
Having
taken
all
reasonable
care
to
ensure
that
such
is
the
case,
the
information
contained
in
this
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
any
representation
or
warranty,
express
or
implied,
as
to,
and
accordingly
no
reliance
should
be
placed
on,
the
fairness,
accuracy
or
completeness

of
the
information
contained
in
the
presentation
or
of
the
views
given
or
implied.
To
the
extent
permitted
by
law,
neither
BHP
Billiton
nor
any
of
its
directors,
officers,
employees
or
advisers
nor
any
other
person
shall
have
any
liability
whatsoever
for
any
errors
or
omissions
or
any
loss
howsoever

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,
or
issue,
or
any
solicitation

of
any
offer
to
sell
or
otherwise
dispose
of,
purchase
or
subscribe
for,
any
securities,
nor
does
it
constitute
investment
advice,
nor
shall
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fact
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with,
any
contract
or
investment

decision,
nor
does
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constitute
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proposal
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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
or
qualification
under

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may
be
taken
or
transmitted
or
distributed
or
redistributed
(directly
or
indirectly)
in
Japan.
The
distribution
of
this
document
in
other
jurisdictions
may
be
restricted
by
law
and
persons
into
whose
possession
this
document
comes
should
inform
themselves
about,
and
observe,
any
such
restrictions.
Information
about
Rio
Tinto
is
based

on
public
information
which
has
not
been
independently
verified.
This
presentation
is
directed
only
at
persons
who
(i)
are
persons
falling
within
Article
49(2)(a)
to
(d)
("high
net
worth
companies,
unincorporated
associations
etc.")
of
the
Financial
Services
and
Markets
Act
2000
(Financial
Promotion)
Order
2005
(as
amended)
(the
"Order")
or

(ii)
have
professional
experience
in
matters
relating
to
investments
falling
within
Article
19(5)
of
the
Order
or
(iii)
are
outside
the
United
Kingdom
(all
such
persons
being
referred
to
as
"relevant
persons").
This
presentation
must
not
be
acted
on
or
relied
on
by
persons
who
are
not
relevant
persons.
Certain

statements
in
this
presentation
are
forward-looking
statements.

The
forward-looking
statements
include
statements
regarding
contribution
synergies,
future
cost
savings,
the
cost
and
timing
of
development
projects,
future
production
volumes,
increases
in
production
and
infrastructure
capacity,
the
identification
of
additional
mineral
Reserves
and
Resources
and
project
lives
and,
without
limitation,
other
statements

typically
containing
words
such
as
"intends",
"expects",
"anticipates",
"targets",
"plans",
"estimates"
and
words
of
similar
import.
These
forward-looking
statements
speak
only
as
at
the
date
of
this
presentation.
These
statements
are
based
on
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
statements.
The
forward-looking
statements
are
based
on
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.
There
are
a
number
of
factors
that
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
(the
"SEC"),
including
BHP
Billiton's
Annual
Report
on
Form
20-F
for
the
fiscal
year-ended
June
30,
2007,
and
Rio
Tinto's
filings
with
the
SEC,
including
Rio
Tinto's
Annual
Report
on
Form
20-F
for
the
fiscal
year-ended
December
31,
2007,
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.

Page 3
Page 3
Disclaimer (continued)
Cautionary
Note
to
US

Investors

The
SEC
permits
oil
and
gas
companies,
in
their
filings
with
the
SEC,
to
disclose
only
proved
reserves
that
a
company
has
demonstrated
by
actual
production
or
conclusive
formation
tests
to
be
economically
and
legally
producible
under
existing
economic
and
operating
conditions.
BHP
Billiton
uses
certain
terms
in

this
presentation,
such
as
probable
reserves
and
"contingent
resources",
that
the
SEC's
guidelines
strictly
prohibit
oil
and
gas
companies
from
including
in
filings
with
the
SEC.
US
Investors
are
urged
to
consider
closely
the
disclosure
in
BHP
Billiton
Annual
Report
on
Form
20-F
for
the
year
ended
June
30,
2007,

File
No.
001-09526
(for
BHP
Billiton
Limited)
and
File
No.
001-31714
(for
BHP
Billiton
Plc),
available
from
BHP
Billiton
at
BHP
Billiton
Limited,
180
Lonsdale
Street,
Melbourne,
Victoria,
3000
Australia
or
at
BHP
Billiton
Plc,
Neathouse
Place,
Victoria,
London,
United
Kingdom.
You
can
also
obtain
the
BHP
Billiton s
Annual
Report

from
the
SEC
by
calling
1-800-SEC-
0330
or
by
visiting
the
SEC's
website
(<http://www.sec.gov>).
Information
Relating
to
the
US
Offer
for
Rio
Tinto
plc
BHP
Billiton
plans
to
register
the
offer
and
sale
of
securities
it
would
issue
to
Rio
Tinto
plc
US
shareholders
and
Rio
Tinto
plc
ADR
holders

by
filing
with
the
Securities
and
Exchange
Commission
(the
SEC)
a
Registration
Statement
(the
Registration
Statement),
which
will
contain
a
prospectus
(the
Prospectus),
as
well
as
other
relevant
materials.
No
such
materials
have
yet
been
filed.
This
communication
is
not
a
substitute
for
any
Registration
Statement
or
Prospectus
that
BHP

Billiton
may
file
with
the
SEC.
U.S.
INVESTORS
AND
U.S.
HOLDERS
OF
RIO
TINTO
PLC
SECURITIES
AND
ALL
HOLDERS
OF
RIO
TINTO
PLC
ADRs
ARE
URGED
TO
READ
ANY
REGISTRATION
STATEMENT,
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,
WHEN
THEY
BECOME
AVAILABLE
BECAUSE
THEY
WILL
CONTAIN
IMPORTANT
INFORMATION.

Investors
and
security
holders
will
be
able
to
obtain
a
free
copy
of
the
Registration
Statement
and
the
Prospectus
as
well
as
other
relevant
documents
filed
with
the
SEC
at
the

SEC's
website
(<http://www.sec.gov>),
once
such
documents
are
filed
with
the
SEC.
Copies
of
such
documents
may
also
be
obtained
from
BHP
Billiton
without
charge,
once
they
are
filed
with
the
SEC.
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
Rio
Tinto
Limited
Offer.
Accordingly,
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
disclosure
requirements
of
a
foreign
country
that
are
different
from
those
of
the
United
States.
Financial
statements
included
in
the
document
will
be
prepared
in
accordance
with
foreign
accounting
standards
that
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
US
It
may
be
difficult
for
you
to
enforce
your
rights
and
any
claim
you
may
have
arising
under
the
US
federal
securities
laws,
since
the
issuers
are
located
in
a
foreign

country,
and
some
or
all
of
their
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
foreign
court
for
violations
of
the
US
securities
laws.
It
may
be
difficult
to
compel
a
foreign

company
and
its
affiliates
to
subject
themselves
to
a
US
court's
judgment.
You
should
be
aware
that
BHP
Billiton
may
purchase
securities
of
Rio
Tinto
plc
and
Rio
Tinto
Limited
otherwise
than
under
the
exchange
offer,
such
as
in
open
market
or
privately
negotiated
purchases.
References
in
this
presentation
to

\$
are
to
United
States
dollars
unless
otherwise
specified.

Page 4
Resourcing the future
Some implications in a sustained high energy price world
BHP Billiton's future growth outlook
Page 4

There are powerful socio-economic forces driving China / India growth, but what will be the impact of higher energy prices?

Finished steel consumption

(kg/capita)

Source:

World

Bank;

Government
Statistics
for
Taiwan;
IISI
Note:
The
shape
of
the
arrow
shows
the
general
trend
among
countries
for
finished
steel
consumption
as
GDP
per
capita
increases
and
is
not
to
scale
GDP/Capita (Jan. 2008 Constant US Dollars)
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
50,000

China
India
Japan
Korea, Rep.
United States
Taiwan
Page 5

High oil prices forecast to impact world GDP growth, but
China impacted less than developed countries
Factors impacting growth

Higher energy prices

Commodities price inflation

US Housing market

Source: IMF: World Economic Outlook 2008

1) Advanced Economies as defined by the IMF World Economic Outlook 2008

Revised 2009 GDP growth

Real GDP Growth %

Advanced Economies¹

Revised April 2008

Initial

World

China

10.0

Page 6

A period of sustained higher oil prices will reinforce the value
of
bulk commodity Tier 1 assets
Impact of sustained higher oil prices
Oil price impacts operations and
freight
Combination lifts and steepens the

curve

Prices move, set by the higher end

marginal cost of production

Steepening cost curve

With a steeper cost curve the

differential

to the marginal cost

producer widens

2

Tier 1 assets relative

profitability, at constant demand

scenarios, actually benefits from

an energy price induced upward

cost curve shift

2

Tier 1 producer volumes are

relatively protected from

demand contraction

Generic delivered bulk commodity cash cost curve

shift in high oil price environment

(Cash cost \$/t)

Source: BHP Billiton analysis

Page 7

In a world of high oil prices, the relative value of Tier 1 bulk commodity

assets that are close to Asian growth markets is enhanced

Source: CRU, BHP Billiton analysis

Transparent pricing

In a transparent pricing market the

value to customer of two identical products is fixed, and the supplier is paid that delivered price
Impacts of higher oil prices

Freight costs become a much larger component of delivered cost

High freight costs with a variety of distance to market steepens the cost curve

Proximity to market delivers sustainable cost advantage

Regardless of demand impact the incentive to expand production is high for assets which are close to markets

Iron Ore cost FOB vs
Delivered to Asia
(\$/dmt)

BHP Billiton Weighted Avg.
Cumulative production

(Mt)
0
100
200
300
400
500
600
700
800
900
1000
0
140
130
120
110
100
90
80
70
60
50
40
30
20

10
2007 FOB
2007 Delivered
2008 Delivered
Third quartile
curve shift
Page 8

~\$130
EBIT uplift
Increase in cost
associated with oil
Net EBIT impact
~\$640
~\$770

Net EBIT

(1)

impact of \$10 oil price increase

\$MM on FY08 Forecast production

At FY08 volumes, \$10 increase in the price of oil could

generate a net ~\$640m BHP Billiton EBIT uplift

The BHP Billiton energy hedge

Petroleum business creates a

hedge against petroleum products

cost increase for all BHP Billiton

For example:

An average \$10 increase in the

price of oil implies ~\$770m

EBIT uplift at FY08 volume

A similar 10% increase in the

price of petroleum products will

increase cost base

(2)

by

~\$130m

net gain of ~\$640m

BHP Billiton's portfolio also includes

other energy generating products:

energy coal, met coal and uranium

Source:

BHP

Billiton

Petroleum,

BHP

Billiton

analysis

1)

Estimate

based

on

FY08

production

forecast

but

using

FY07

average

margin

adjusted

for
Oil/gas
mix;
EBIT
margin
excludes
revenue
and
EBIT
from
third
party
trading
activities
2)
Cost
increase
assumes
a
\$10/boe
would
translate
to
approximately
a
10%
increase
in
costs
of
petroleum
products
consumed
in
all
BHP
Billiton
activities
Page 9

BHP Billiton Petroleum: Production growing to 170mmboe/yr,
high EBIT margin per barrel and strong resource base

EBIT

(1)

margin per barrel at different price levels

(\$/boe)

0

50
100
150
200
FY07
FY08E
FY09E
FY10E
FY11E
Liquids
Gas
Production Growth
(mmboe/yr)
(3)
Source:
BHP
Billiton
2007
Annual
report
and
analysis
1)
FY07
average
margin
adjusted
for
Oil/gas
mix;
EBIT
margin
excludes
revenue
and
EBIT
from
third
party
trading
activities
2)
Reference
oil
price
is
WTI
3)
Total
barrels

of
oil
equivalent
(boe)
conversions
are
based
on
6000scf
of
natural
gas
equals

1
boe
Reference
Oil Price

(2)
\$90
\$100
\$110
\$120
EBIT
\$42
\$48
\$54
\$59

Attributable Reserves and Resources
(mmboe, as at 30-Jun-2007)

(3)
Proved Reserves
1,353 mmboe
Probable
Reserves + 2C
Contingent
Resources
Total
Resources
3,594
mmboe
2,241 mmboe
Page 10

Page 11
Resourcing the future
Some implications in a sustained high energy price world
BHP Billiton's future growth outlook
Page 11

Page 12
0
2,000
4,000
6,000
8,000
10,000

12,000

14,000

CY07

CY08

CY09

CY10

CY11

CY12

BHP Billiton has an attractive growth profile of significant scale

Copper Equivalent Tonnes '000

Production in copper equivalent tonnes

Simple Copper Equivalent

Focused on deliverable
growth over the next five
years

Commence from CY07, a
year of known production

BHP Billiton 6.9% CAGR,
and growing from 8.2 million
tonnes of Cu equivalent to
11.4 million tonnes of Cu
equivalent

Rio Tinto on the same basis
shows a growth rate of 6.0%
CAGR but of lesser scale

BHP Billiton 82% of growth
from brownfields

BHP Billiton

Rio Tinto

Note: Copper equivalent units calculated using BHP Billiton (BHPB) estimates for BHPB production; Rio Tinto forecasts for Industrial Minerals, Lead and Zinc businesses; BHPB's Specialty Products operation; all bauxite production. All energy coal production forecasts to copper equivalent units completed using long term consensus price forecasts, plus BHPB assumptions for year Alcan alumina and aluminium as per 12 March 2008 announcement.

Estimated &

unrisked

BHP Billiton

Rio Tinto

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BHP Billiton's growth capital expenditure is focused on high margin commodities

Source: BHP Billiton analysis. EBIT margin excludes third party trading.

Note: BHP Billiton margins are actual CY07 margins.

Carbon Steel Materials

Non-Ferrous

Energy
Margins matter

Cu equivalent production is
based on implied revenue

\$1 million of revenue from
energy coal
calculates to the
same tonnage
of copper
equivalent as \$1 million of
revenue from **petroleum**

One tonne of petroleum
derived copper is worth more
than 4 times as much as one
tonne of energy coal derived
copper
Using BHP Billiton CY07
EBIT margins

Page 14
Boffa/Santou
Refinery
2010
As at 2 May 2008
Proposed
capital expenditure
<\$500m
\$501m-\$2bn
\$2bn+
SSM
Energy Coal
D&SP
Iron Ore
Base Metals
Petroleum
Met Coal
CSG
Manganese
Aluminium
2008
Execution
Pyrenees
Samarco
Neptune
Shenzi
Alumar
Atlantis
North
Klipspruit

GEMCO
Zamzama
Phase 2
2013
Feasibility
Guinea
Alumina
Worsley
E&G
Perseverance
Deeps
Maruwai
Stage 1
Douglas-
Middelburg
Mt Arthur
Coal UG
Future Options
Cliffs
Newcastle
Third Port
NWS
Angel
Nimba
Ekati
Canadian
Potash
WA Iron Ore
Quantum 1
CW Africa
Exploration
Angola
& DRC
WA Iron Ore
RGP 5
WA Iron Ore
Quantum 2
Macedon
Turrum
CMSA Heap
Leach 1
NWS
CWLH
Peak Downs
Exp
DRC
Smelter
Mad Dog
West
KNS

Exp
Hallmark
Corridor
Sands 1
Puma
Cerrejon
Opt Exp
Angostura
Gas
NWS
T5
Beyond our 5 year growth plans, the future options portfolio is
deep and diversified
Navajo
Sth
Bakhuis
Maruwai
Stage 2
NWS Nth
Rankin B
WA Iron Ore
RGP 4
Kipper
Antamina
Exp
Goonyella
Expansions
Olympic Dam
Expansion 3
Corridor
Sands 2
Knotty
Head
Maya
Nickel
Gabon
Daunia
RBM
Olympic Dam
Expansion 2
Browse
LNG
Resolution
Saraji
Thebe
CMSA
Pyro Expansion
Cannington
Life Ext
SA Mn

Ore Exp
Wards
Well
Eastern
Indonesian
Facility
NWS
WFGH
Blackwater
UG
Olympic Dam
Expansion 1
CMSA Heap
Leach 2
Escondida
3rd Conc
Red Hill
UG
GEMCO
Exp
Samarco 4
Shenzi
Nth
Neptune
Nth
MKO
Talc
Scarborough
Caroona
Kennedy

