

Edgar Filing: RIO TINTO PLC - Form 425

RIO TINTO PLC  
Form 425  
July 07, 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 first given by Don Argus, Chairman, BHP Billiton on July 4, 2008.

Mr  
Don Argus AO  
Chairman, BHP Billiton

Slide 2

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Limited  
and  
BHP  
Billiton  
Plc  
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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  
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directly

or  
indirectly,  
from  
any  
use  
of  
this  
information

or  
its  
contents

or  
otherwise  
arising  
in

connection  
therewith.

Information  
about

Rio  
Tinto  
plc  
and

Rio  
Tinto  
Limited

("Rio  
Tinto")

is  
based on public 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  
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  
or  
qualification  
under  
the

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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

(iii) are outside the United Kingdom (all such persons being referred to as "relevant persons"). This presentation must not be a Certain statements in this presentation are forward-looking statements (including statements regarding contribution synergies, future production volumes, increases in production and infrastructure capacity, the identification of additional mineral Reserve statements typically containing words such as "intends," "expects," "anticipates," "targets," plans," "estimates" and words of si and beliefs and numerous assumptions regarding BHP Billiton's present and future business strategies and the environments in such assumptions, expectations and beliefs may or may not prove to be correct and by their nature, are subject to a number of k actual results, performance 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,

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, th

satisfaction of any conditions to any proposed transaction, including the receipt of required regulatory and anti-trust approvals,

successful

completion

of

any

transaction,

and

the

risk

factors

discussed

in



BHP  
Billiton's  
and  
Rio  
Tinto's  
filings  
with  
the  
U.S.  
Securities  
and  
Exchange  
Commission  
("SEC")  
(including  
in  
Annual  
Reports  
on  
Form  
20-F)  
which  
are  
available  
at  
the  
SEC's  
website  
(<http://www.sec.gov>).  
Save  
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,  
BHP  
Billiton  
undertakes  
no  
duty  
to  
update  
any  
forward-looking  
statements  
in  
this  
presentation.

No statement concerning expected cost savings, revenue benefits (and resulting incremental EBITDA) and EPS accretion in the earnings per share of the enlarged BHP Billiton group for current and future financial years will necessarily match or exceed the

the  
actual  
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.

Slide 3

Disclaimer

(continued)

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

(  
the Registration Statement ), which will contain a prospectus ( the Prospectus ), as well as other relevant materials. No su

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 A  
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 BECAU

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

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 d  
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  
U.S.  
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  
U.S.  
securities  
laws.

It  
may  
be  
difficult  
to  
compel  
a  
foreign  
company  
and  
its  
affiliates  
to  
subject  
themselves  
to  
a

U.S.  
court's judgement.  
You  
should  
be  
aware  
that  
BHP  
Billiton  
may  
purchase  
securities  
of  
either  
Rio  
Tinto  
plc  
or  
Rio  
Tinto  
Limited  
otherwise  
than  
under  
the  
exchange  
offer,  
such  
as  
in  
open  
market  
or  
privately  
negotiated purchases.

Slide 4  
Today's discussion

Introduction

BHP Billiton  
yesterday, today and tomorrow

Summary of the offer for Rio Tinto

Slide 5  
Introduction

Joined the board November 1996, Chairman April 1999

Chairman of BHP Billiton Limited and BHP Billiton Plc since  
formation

Market  
capitalisation  
grown  
from  
~US\$31bn  
in  
2001  
to  
~US\$220bn  
in 2008

Four CEOs  
in that period

Paul Anderson

Brian Gilbertson

Chip Goodyear

Marius Kloppers

Board  
sound  
and  
strong  
with  
right  
skills  
and  
experience

Positioned  
for  
the  
next  
stage  
of  
growth  
and  
sophistication  
g

Slide 6  
Today's discussion

Introduction

BHP Billiton  
yesterday, today and tomorrow

Summary of the offer for Rio Tinto



Slide 7

100

110

120

130

140

150

160

170

FY01

FY02

FY03

FY04

FY05

FY06

FY07

BHP Billiton

8% CAGR

Rio Tinto

4% CAGR

BHP Billiton's track record in production growth and value growth speaks for itself

Notes:

a)

Source: Rio Tinto production numbers sourced from 2006 Annual and 2007 Half-Year Reports. Note: Production shown for the BHP Billiton and Rio Tinto. Converted to copper equivalent units using BHP Billiton FY2007 average realised prices and BHP Billiton operations. Production growth does not include production for the six month period ending 31-Dec-2007.

b)

Source:

Datastream  
and  
financial  
reports  
and  
company  
filings  
of  
BHP  
Billiton  
and  
Rio  
Tinto.  
Market  
capitalisation  
based  
on  
shares  
outstanding  
and  
share  
price  
as  
at  
the  
dates  
shown.  
In

addition,  
over  
the  
period  
from  
29  
-Jun-2001  
to  
31-Oct-2007,  
BHP  
Billiton  
undertook  
share  
buybacks  
of  
US\$11.4bn  
and  
Rio  
Tinto  
undertook  
share  
buybacks  
of  
US\$4.8bn  
and paid a special dividend of US\$1.5bn in 2006.

Production  
growth

(a)  
(Index: FY2001 production = 100)

Market  
capitalisation  
(US\$bn)

0  
30  
60  
90  
120  
150  
180  
210  
240

BHP Billiton

CAGR: 37%

Rio Tinto

CAGR: 29%

US\$230bn

US\$31bn

US\$122bn

US\$24bn

(b)

Slide 8

A record of growth driven from a unique diversified portfolio, balanced across high margin commodities

Underlying EBITDA

(12 months, US\$bn)

Underlying

EBITDA

margin

(a)

(CY2007, 12 months)

Note: Historical financial information has been restated for comparative purposes per note 1 of BHP Billiton's half-year financial statements. This information represents

the 12 months ending 31-Dec-2007.

a)

EBITDA margin excludes third party sales.

52%

40%

36%

70%

52%

43%

75%

23%

34%

Iron Ore

Manganese

Metallurgical Coal

Base Metals

Stainless Steel

Materials

Aluminium

Petroleum

Energy Coal

Diamond &

Specialty Products

0

6,000

12,000

18,000

24,000

FY2002

CY2007

4,677

23,623

Iron Ore

Manganese

Metallurgical

Coal

Petroleum

Energy Coal

Aluminium

Base Metals

Stainless Steel

Materials

Diamond & Specialty Products

Non

Ferrous

(56%)

Energy

(21%)

Carbon

Steel

Materials

(22%)

Slide 9

which  
generates  
strong  
cash  
flow

-  
delivering  
value  
growth  
through  
reinvestment  
and  
return  
to  
shareholders  
0  
2,000  
4,000  
6,000  
8,000  
10,000  
12,000  
14,000  
16,000  
18,000  
FY2002  
FY2003  
FY2004  
FY2005  
FY2006  
FY2007  
FY2008  
H1  
H2  
0  
1,500  
3,000  
4,500  
6,000  
7,500  
9,000  
FY2002  
FY2003  
FY2004  
FY2005  
FY2006  
FY2007  
FY2008  
Available cash flow  
(US\$m)  
Organic  
growth  
(US\$m)  
Return  
to



shareholders  
(US\$m)

Note:

FY2005,  
FY2006,  
FY2007

and

H1

FY2008

have

been

calculated

on

the

basis

of

the

IFRS.

Prior

periods

have

been

calculated

on

the

basis

of

UK

GAAP.

(a)

Capital and Exploration FY expenditures (exclude acquisitions).

(b)

Dividends paid and share buybacks.

0

1,500

3,000

4,500

6,000

7,500

9,000

FY2002

FY2003

FY2004

FY2005

FY2006

FY2007

FY2008

(a)

(b)

Slide 10

China's urban population is on track to reach one billion

China population by city size

(Millions of people)

143

157

149

232  
160  
315  
86  
102  
34  
120  
572  
926  
2005  
2025  
Big town  
(<0.5m)  
Small  
(0.5m 1.5m)  
Midsized  
(1.5m 5m)  
Big  
(5m 10m)  
Mega  
(10m+)

Source: McKinsey Global Institute, March 2008, [Preparing for China's Urban Billion](#) .

the number of times which GDP will have  
multiplied by 2025

5  
of  
these  
buildings  
could  
be  
skyscrapers

the  
equivalent  
to  
constructing  
up  
to  
ten  
New  
York  
cities  
50,000  
square  
metres  
of  
floor  
space  
will

be  
built

in  
five  
million  
buildings  
40  
billion  
mass-transit systems could be built

170  
square metres  
of road will be paved  
5

billion  
Chinese cities will have over one million people  
living in them

Europe has 35 today  
221

China's  
expected  
urbanisation

in  
2025

Slide 11

Industrialisation and urbanisation in China have a long way to

go

China's tiered city structure

2005

2010

2020

84 tier 1-3 cities

(a)

106 tier 1-3 cities

(b)

143 tier 1-3 cities

(c)

Tier 1

Tier 2

Tier 3

Source:

Global

Insight;

National

Bureau

of

Statistics

of

China

China

Statistical

Yearbook;

McKinsey

&

Company,

2006.

a)

Tier 1 city defined as registered population >4.6 m and nominal GDP/capita >US\$3,200, tier 2 city defined as either registered

at

least

US\$1,600

or

nominal

GDP/capita

>US\$3,200

and

registered

population

at

least

1.5m,

tier

3

city

defined

as

registered

population

US\$1,600-US\$3,200.

b)

Tier 1 city defined as registered population >4.8 m and nominal GDP/capita >US\$3,600, tier 2 city defined as either registered at least US\$1,800 or GDP/capita >US\$3,600 and registered population at least 1.6m, tier 3 city defined as registered population 1.6-4.8 m or nominal GDP/capita US\$1,800-US\$3,600.

c)  
Tier 1 city defined as registered population >5.0 m and nominal GDP/capita >US\$4,800, tier 2 city defined as either registered at least US\$2,400 or GDP/capita >US\$4,800 and registered population at least 1.7m, tier 3 city defined as registered population US\$4,800 1.7-5.0 m or nominal GDP/capita US\$2,400-1.5-4.6 m or nominal GDP/capita

Slide 12

0

200

400

600

800

1,000



1,200  
1,400  
1997  
2007

with Chinese, not US, growth driving global metals demand over the past 10 years

Copper consumption (kt)

Nickel consumption (kt)

Seaborne iron ore (mt)

Energy consumption (mtoe)

China

USA

Other

Notes:

Seaborne

iron

ore

demand

based

on

import

statistics

-

CRU

data

for

2007,

IISI

data

for

1997.

Energy

consumption

is

all

uses

of

coal,

gas,

oil

and

nuclear,

expressed

as

millions

tonnes

of

oil

equivalent,

2007  
data  
not  
yet  
available.

Source:  
CRU,  
Brook  
Hunt,  
BP  
Statistical  
Review  
of  
World  
Energy  
(2007),  
IISI.

0  
2,000  
4,000  
6,000  
8,000  
10,000  
12,000  
1996  
2006  
0  
3,000  
6,000  
9,000  
12,000  
15,000  
18,000

1997  
2007  
0  
150  
300  
450  
600  
750  
900  
1997  
2007

Slide 13

Steel is an essential input as nations industrialise  
and urbanise

Finished steel consumption  
(kg/capita)

Source:  
World

Bank;  
Government  
Statistics  
for  
Taiwan;  
HSI  
0  
250  
500  
750  
1,000  
1,250  
0  
5,000  
10,000  
15,000  
20,000  
25,000  
30,000  
GDP/Capita (Jan-2008 Constant US Dollars)  
China  
India  
Japan  
Korea, Rep.  
Taiwan  
Germany  
United States













Slide 14  
Boffa/Santou  
Refinery  
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  
Neptune  
Atlantis  
North  
Klipspruit  
GEMCO  
Zamzama

Phase 2  
Maruwai  
Stage 1  
Mt Arthur  
Coal UG  
Newcastle  
Third Port  
Nimba  
WA Iron Ore  
Quantum 1  
CW Africa  
Exploration  
WA Iron Ore  
Quantum 2  
Peak Downs  
Exp  
DRC  
Smelter  
Mad Dog  
West  
KNS  
Exp  
Hallmark  
Corridor  
Sands 1  
Puma  
Cerrejon  
Opt Exp  
Angostura  
Gas  
BHP Billiton s future is assured  
Navajo  
Sth  
Bakhuis  
Maruwai  
Stage 2  
Antamina  
Exp  
Goonyella  
Expansions  
Olympic Dam  
Expansion 3  
Corridor  
Sands 2  
Knotty  
Head  
Maya  
Nickel  
Gabon  
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  
Red Hill  
UG  
GEMCO  
Exp  
Samarco 4  
Shenzi  
Nth  
Neptune  
Nth  
Scarborough  
Caroona  
Kennedy  
MKO  
Talc  
2010  
2008  
Execution  
2013  
Feasibility  
Future Options  
CMSA Heap  
Leach 2  
Olympic Dam  
Expansion 1  
Angola  
& DRC  
Macedon  
CMSA Heap

Leach 1  
Perseverance  
Deeps  
NWS Nth  
Rankin B  
WA Iron Ore  
RGP 5  
Turrum  
NWS  
CWLH  
Guinea  
Alumina  
Douglas-  
Middelburg  
Pyrenees  
Alumar  
Shenzi  
NWS  
T5  
WA Iron Ore  
RGP 4  
Kipper  
Samarco  
Worsley  
E&G  
NWS  
Angel  
Cliffs  
Ekati  
Daunia  
Canadian  
Potash  
Escondida  
3rd Conc

Slide 15

and has created considerable wealth for global investors so

far

BHP

Billiton

Plc

(a)

(GBP)

Source: Bloomberg, Datastream as at 26-Jun-2008

a) Dividends/distributions assumes that the dividends are received in cash and reinvested in BHP Billiton. Includes the value

A holder of 1,000 BHP Billiton Plc shares on 28 June 2001 would have seen the value

of their total holding increase by 534%

-

5,000

10,000

15,000

20,000

25,000

30,000

Jun-01

Dec-01

Jun-02

Dec-02

Jun-03

Dec-03

Jun-04

Dec-04

Jun-05

Dec-05

Jun-06

Dec-06

Jun-07

Dec-07

Value at 26 June 2008: £22,077

Value at 28 June 2001: £3,480

Bluescope

shareholders post the

Steel spin-off.

Slide 16

Our message to BHP Billiton shareholders

BHP Billiton is a strong company today and will be with or without Rio Tinto

A superior track record of delivering shareholder value



A deep and diversified portfolio of resources assets

Excellent management of those assets

Genuinely global operating capability

Our strategy is clear and has been stable since 2001

The offer is structured to deliver to BHP Billiton shareholders a fair value uplift

Unlocks unique value for both groups of shareholders because of the quantified synergies and other benefits

These benefits are not available to Rio Tinto shareholders or BHP Billiton shareholders on a standalone basis

The offer is compelling

Slide 17  
Today s discussion

Introduction

BHP Billiton  
yesterday, today and tomorrow

Summary of the offer for Rio Tinto

Slide 18  
Offer for Rio Tinto  
A compelling 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

Economies of scale  
especially procurement

Avoid duplication, reduce corporate and divisional non-operating costs

Accelerate tonnage delivered to market

2  
3  
1

Slide 19  
Offer for Rio Tinto  
Compelling terms  
2.2 for 1  
2.4 for 1  
2.6 for 1  
2.8 for 1

3.0 for 1

3.2 for 1

3.4 for 1

3.6 for 1

3.8 for 1

12-Jul-2007

07-Sep-2007

05-Nov-2007

01-Jan-2008

27-Feb-2008

24-Apr-2008

20-Jun-2008

Pre approach fair value exchange ratio

12-Nov-2007 BHP Billiton Proposal

06-Feb-2008

BHP Billiton Offer

Source: Datastream

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.  
2.4  
fair  
value  
exchange  
ratio  
represents  
average  
for  
period  
between  
Rio  
Tinto  
offer  
for  
Alcan  
(12-Jul-2007)  
and  
BHP  
Billiton  
approach  
to  
Rio  
Tinto  
Board  
(1-Nov-2007).



Slide 20

Legitimate questions for Rio Tinto shareholders

Assuming a satisfactory regulatory outcome, Rio Tinto shareholders will be faced with 2 choices:

Accept BHP Billiton's offer, which is priced at a 45% premium to the pre-

approach trading valuations of the two companies; or

Reject BHP Billiton's offer, and require the Rio Tinto board to deliver this value on a standalone basis

Rio Tinto shareholders will have 2 legitimate questions to ask of their Board

On  
what  
grounds  
does  
the  
board  
justify  
rejecting  
the  
45%  
premium  
value  
uplift plus pro rata share of synergies uplift, implied by BHP Billiton's offer?

How does the Rio Tinto Board propose to deliver to its shareholders this value that shareholders may forego by the Rio Tinto Board refusing to engage with BHP Billiton?

Remember this is about relative value not absolute value

