

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

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.
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 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.

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

securities laws of any such jurisdiction (or under an exemption from such requirements). No offering of securities shall be made in the United States in violation of the US Securities Act of 1933, as amended, or an exemption therefrom. Neither this presentation nor any copy of it may be taken into effect in Japan. The distribution of this document in other jurisdictions may be restricted by law and persons into whose possession it is delivered should 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,
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 disclosure 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

