

Edgar Filing: RIO TINTO PLC - Form 425

RIO TINTO PLC
Form 425
November 06, 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 Marcus Randolph, Chief Executive Ferrous and Coal, BHP Billiton on November 6, 2008.

Resourcing the Future
6 November 2008
Marcus Randolph
Group Executive and Chief Executive
Ferrous and Coal
Macquarie Private Wealth Special Presentation
SHANGHAI

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. If, in 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, 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 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 or approval in any jurisdiction, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale of securities laws of any such jurisdiction (or under an exemption from such requirements). No offering of securities shall be made under 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 or Malaysia. The distribution of this document in other jurisdictions may be restricted by law and persons into whose jurisdiction it is taken 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") under 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. 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 Reserves and other statements typically containing words such as "intends," "expects," "anticipates," "targets," "plans," "estimates" and words of similar import) and beliefs and numerous assumptions regarding BHP Billiton's present and future business strategies and the environments in which they operate. Such assumptions, expectations and beliefs may or may not prove to be correct and by their nature, are subject to a number of risks which may cause 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: the ability to successfully combine the businesses of BHP Billiton and Rio Tinto and to realise expected synergies from that combination, the satisfaction of any conditions to any proposed transaction, including the receipt of required regulatory and anti-trust approvals, the 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 (Reports on Form 20-F for the most recent fiscal years) which are available at the SEC's website (<http://www.sec.gov>). Save as required by the London Stock Exchange, the UK Takeover Panel, or the listing rules of ASX Limited, BHP Billiton undertakes no duty to update

Slide 3

Disclaimer
(continued)

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 actual estimated cost savings and revenue benefits (and resulting EBITDA enhancement) may be materially greater or less. References in this presentation to \$ are to United States dollars unless otherwise specified.

In connection with the offer and sale of securities BHP Billiton would issue to Rio Tinto plc US shareholders and Rio Tinto plc Statement on Form F-4 (the Registration Statement), which contains a preliminary prospectus (the Prospectus), and will communication is not a substitute for the Registration Statement or the Prospectus that BHP Billiton has filed, or any amendments with the SEC.

U.S. INVESTORS AND U.S. HOLDERS OF RIO TINTO PLC SECURITIES AND ALL HOLDERS OF RIO TINTO PLC AND THE PROSPECTUS AND ANY OTHER DOCUMENTS MADE AVAILABLE TO THEM AND/OR FILED WITH THE SEC AND AMENDMENTS AND SUPPLEMENTS TO THOSE DOCUMENTS, WHEN THEY BECOME AVAILABLE BECAUSE T

Investors and security holders are able to obtain a free copy of the Registration Statement and the Prospectus as well as other re (http://www.sec.gov). Copies of such documents may also be obtained from BHP Billiton without charge.

BHP Billiton Limited is not required to, and does not plan to, prepare and file with the SEC a registration statement in respect of 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 of those of the United States. Financial statements included in the document will be prepared in accordance with foreign accounting statements of United States companies.

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 some of their officers and directors may be residents of foreign countries. You may not be able to sue a foreign company or its officers under the securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgment. You should be aware that BHP Billiton may purchase securities of either Rio Tinto plc or Rio Tinto Limited otherwise than through negotiated purchases.

Information

Relating

to

the

US

Offer

for

Rio

Tinto

plc

Information

Relating

to

the

US

Offer

for

Rio

Tinto

plc

and

the

Rio

Tinto

Limited

Offer

for

Rio

Tinto

shareholders

located

in
the
US
Information
for
US
Holders
of
Rio
Tinto
Limited
Shares

Slide 4

0
2
4
6
8
10

12

14

Short-term global economic turmoil

Source: IMF, IMF Forecasts October 2008

Gross domestic production

(% growth, constant 2006 US\$)

Asian Banking

Crisis

Technology

Correction

Current

Financial Crisis

China

Emerging Economies

Developed Economies

Slide 5

China's response

1.

Loosen credit controls

2.

Tax rebates increased by US\$36 billion

3.

Economic stimulus package of US\$450 billion

4.

Increase Fixed Asset Investment

5.

Stimulate the domestic economy; 90% of GDP

Slide 6
Simplicity, accountability and effectiveness
Neptune
Gulf of Mexico

Slide 7

Our core strategy is unchanged

World-class, upstream natural resource assets that are large,
low-cost and expandable

Diversified by commodity, customer and geography

Deep inventory of diversified growth options

Focus on export orientated products

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

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

Simplicity

Accountability

Effectiveness

Slide 8

0
100
200
300
400
500

600

700

BHP Billiton

Rio Tinto(a)

Vale

Xstrata

Anglo American

Note:

EBIT and Employees as per last published Annual Report, data does not include contractors. BHP Billiton as at 30-Jun-2008; I

Anglo American as at 31-Dec-2007.

a)

Rio Tinto Post Alcan EBIT based on CY2007 full year proforma results.

EBIT per employee

(US\$ 000)

Pre-Alcan

Post-Alcan

Simplicity can be measured: earnings per employee

Slide 9

0.0

0.5

1.0

1.5

2.0

2.5

3.0

BHP Billiton

Rio Tinto (a)

Vale

Xstrata

Anglo American

Note:

Underlying EBIT and Net Debt as at 30 June 2008 for BHP Billiton, Rio Tinto, Vale, Xstrata and Anglo American. Figures as a)

If Rio

Tinto

Net

Debt

was

based

on

average

of

30

June

2007

and

30

June

2008

figures

(weighted

by

number

of

days

pre-

and

post-Alcan

acquisition),

ratio

would

be 0.512.

\$ EBIT per \$ of Net Debt

Ratio

Very strong balance sheet

Slide 10
Outstanding FY2008 result driven by strategy and execution

Record profit for the 7
th
consecutive year

Attributable profit up 12%, EPS up 18%

Full year dividend of 70 US cents per share, 49% increase

Production increases in 13 commodities, records in 7

10 major growth projects completed

A further 7 major projects sanctioned by the Board

Underlying

EBIT

margin

(a)

(FY2008)

Iron Ore

Manganese

Energy Coal

Metallurgical Coal

Diamonds and

Specialty Products

Base Metals

Petroleum

Stainless Steel

Materials

Aluminium

Group

Notes:

EBIT Margin excludes third party trading activities.

48%

67%

30%

31%

62%

51%

58%

24%

25%

20%

Slide 11

%

Underlying EBIT margin

(a)

FY2002

FY2003

FY2004

FY2005
FY2006
FY2007
FY2008

0
10
20
30
40
50
60
70
80
H1
H2
H1
H2
H1
H2
H1
H2
H1
H2
H1
H2
H1
H2
H1
H2

Petroleum
Aluminium
Base Metals
D&SP
SSM
Iron Ore
Manganese
Met Coal
Energy Coal
BHP Billiton

Notes:

a)
FY2002
to
FY2005
are
calculated
under
UKGAAP.
Subsequent
periods
are
calculated

under
IFRS.
All
periods
exclude
third
party
trading
activities.

Diversification delivers sustainable margin growth

Slide 12

0

2,000

4,000

6,000

8,000

10,000

12,000

14,000

CY2007

CY2008F

CY2009F

CY2010F

CY2011F

CY2012F

Growth is expected to accelerate across the portfolio

% of growth CY2007-2012

(Estimated & unrisked)

Note: Growth in production volumes on a copper equivalent units basis between CY2007 and CY2012 calculated using BHP Billiton's Specialty Products operation and all bauxite production. All energy coal business

tonnes available for external sale. Conversion of production forecasts to copper equivalent units completed using long term commodity price

assumptions for

diamonds,

domestic

coal

and

manganese.

Prices

as

at

July

2008.

Expected production growth

(Copper equivalent tonnes '000s)

45%

37%

18%

Steelmaking

Materials

Energy

Non-Ferrous

Slide 13

Focused on low risk countries where we already operate

By project type

(b)

87%

13%

Brownfield

Greenfield

By region

(c)

Existing

New

3%

97%

63%

Notes:

a)

Growth in production volumes on a copper equivalent units basis between CY2007 and CY2012 calculated using BHP Billiton Production volumes exclude BHP Billiton's Specialty Products operation and all bauxite production. All energy coal business tonnes available for external sale. Conversion of production forecasts to copper equivalent units completed using long term cost assumptions for

diamonds,

domestic

coal

and

manganese.

Prices

as

at

July

2008.

b)

Brownfield includes growth from existing operations as at 31-Dec-2007, as well as expansions and additional developments of

c)

Existing regions represents those countries in which BHP Billiton already has asset operating as at 31-Dec-2007.

Expected production growth

(a)

(Copper equivalent tonnes, CY2007-CY2012)

Slide 14

Large, expandable assets

Largest uranium deposit in the
world

World's 4

th
largest copper
deposit

World's 4
th
largest gold
deposit

Major expansion in pre-
feasibility

World's leading supplier of
seaborne metallurgical coal

Major expansions underway

Third largest supplier

Tripling of capacity expected
between 2007 & 2015

Well located with China as
largest customer

Olympic Dam
Queensland Coal
WA Iron Ore
Mt Newman
BMA
Olympic Dam

Slide 15
Our offer for Rio Tinto

Slide 16

Pre-conditional offer, capable of acceptance by shareholders following completion of regulatory processes and posting of offer documents

Regulatory processes anticipated to be completed around the end of 2008

Rio Tinto
shareholders
are
being
offered
3.4
BHP
Billiton
shares
for
every
Rio
Tinto
share
held

All share offer

No shareholder forced to exit

Ability to participate in the synergies as well as the premium

CGT
rollover
relief
for
eligible
shareholders
(a)

Unlocks
US\$3.7bn
per
annum
of
quantifiable
synergies
(b)

The
offer
represents
a
45%
premium
to
the
undisturbed
price
(c)

50%
minimum
acceptance
condition
(d)

Proposed
share
buyback
of
up
to
US\$30bn
following
completion
if
the
offer
is
successful
(e)

BHP Billiton believes this offer is compelling for Rio Tinto shareholders, and value enhancing for BHP Billiton shareholders

Notes:

a)

Australian CGT rollover relief will be available for Australian resident shareholders accepting the Rio Tinto Ltd Offer if comp

rollover

provisions

will

apply

to

accepting

Rio

Tinto

plc

shareholders

if

there

are

at

least

70

per

cent

acceptances

under

the

Rio

Tinto
plc
Offer.

b)

Estimated incremental EBITDA (nominal) based on publicly available information. To be read in conjunction with the notes in
6-Feb-2008. Full run rate synergies expected in the seventh full year following completion.

c)

Premium based on the combined volume-weighted market capitalisation of Rio Tinto based on the volume-weighted average c
of £43.09 and A\$109.20 for Rio Tinto plc and Rio Tinto Ltd respectively and volume-weighted average closing share prices ov
and BHP Billiton Ltd of £17.99 and A\$45.77 respectively. Based on BHP Billiton and Rio Tinto issued ordinary shares outstar
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.

NOTE: Consistent
with
the
UK
City
Code
on
Takeovers
and
Mergers,
the
offer
represents
a
48%
discount

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\$113.40 on 8-Nov-2007 and closing share prices of Rio Tinto plc of A\$24.70 on 23-Oct-2008 and Rio Tinto Ltd of A\$24.70 on 23-Oct-2008 respectively.

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
23-Oct-2008
and
exchange
rates
of
1.622
US\$/£

and

0.668

US\$/A\$

as

at

23-Oct-2008.

d)

The offer is conditional on more than 50% acceptances of the publicly held shares in each of Rio Tinto plc and Rio Tinto Ltd.

e)

i.e. if BHP Billiton acquires 100% of the shares in Rio Tinto Limited and Rio Tinto plc on the 3.4:1 announced offer terms.

Overview of our offer for Rio Tinto

Slide 17

Significant synergies expected from operations

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

3

6

35

36

2
4
5
7
8
10
11
12
9
14
16
15
19
2021
22
23
18
17
24
25
26
27
28
29
3230
30
31
34
33
38
39
40
41
34
35
36
39
1415
16
37
38
40
21
20
3
11
10
12
45
29

31
19
4
6
7
23
21
22
28
24
26
1
18
8
9
41
5
27
33
32
43
44
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
4848
48
48
48
26
Hail Creek
Mt Newman
26
Kennecott
Joint
South
Water Creek
Poitrel
26
24

Slide 18
3.4:1 offer represents compelling value
Source:
Datastream
(as
at
23-Oct-2008).

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.
Rio
Tinto
vs
BHP
Billiton
historical
share
exchange
ratio
(a)
2.2 : 1
2.4 : 1
2.6 : 1
2.8 : 1
3.0 : 1
3.2 : 1
3.4 : 1

3.6 : 1
Jul-2007
Sep-2007
Nov-2007
Jan-2008
Mar-2008
May-2008
Jul-2008
Sep-2008
BHP
Billiton's
offer
for
Rio
Tinto

Slide 19
Comparative dividend per share
Rio Tinto
BHP Billiton
A\$31.92
(3.2% yield)
A\$25.45

(2.5% yield)

Rio Tinto

BHP Billiton

US\$8.5bn

US\$42.1bn

FY2008

dividends

per

A\$1,000

of

shares

(a)

Net

debt

(c)

Notes:

a)

Calculated based on Rio Tinto Ltd and BHP Billiton Ltd share prices as at 23-Oct-2008 and using the dividend for the respective BHP

Billiton and Rio Tinto.

b)

Dividends per share on a US\$ basis. Rio Tinto's ordinary dividends per share restated to June year end.

c)

As at 30-Jun-2008.

31%

49%

Rio Tinto

BHP Billiton

2.2

x

5.4

x

Rio Tinto

BHP Billiton

FY2007

to

FY2008

DPS

growth

(b)

FY2008

vs

FY2002

DPS

(b)

Slide 20
Indicative timetable for the offer
2008
Offer Period
Event
Jul
Aug

Sep
Oct
Nov
Dec
Day 0
(a)
Day 60
Post Day 60
Regulatory Approvals
Satisfaction of regulatory approval
pre-conditions
Offer Documentation
Posting of offer documents for Rio Tinto plc offer
and Rio Tinto Ltd offer to shareholders
Offer Fulfilment
Last date for fulfilment of greater than 50%
minimum acceptance condition in both the Rio
Tinto plc and Rio Tinto Ltd offers
Post Day 60
If
minimum
acceptance
conditions
are
met

offer
continues. (i.e. in order to receive
sufficient acceptances to enable compulsory
acquisition)
Notes:
a)
Date
for
Day
0
may
fall
in
2008
or
2009.
Timetable
is
indicative
only.
(within 28 days of the
pre conditions being
satisfied)

Slide 21

Our offer is more compelling with this financial crisis

Financing secured

Limited liquidity available

Increased commodity diversification /

reduced cost through expected

synergies

Commodity prices declining
Select the best people from the two
companies

Management resources scarce

High

grade

growth

portfolio

select

best

& optimise capital expenditure

Growth projects being cancelled

Expected synergies a higher percentage
of value

Stock prices down

BHP Billiton / Rio Combination

Global Situation

Slide 22
Summary
Our Expectations

Financial market volatility and economic uncertainty to continue in the short-term

China, India and other developing economies to continue to drive demand for commodities in the long-term

Our diversified portfolio of low cost, high quality assets places us at a competitive advantage

Our balance sheet and strong cash flow are a significant advantage

Future production growth is strong

BHP Billiton is working towards completing the regulatory review process for the Rio Tinto offer by around the end of 2008

We believe our offer is compelling for Rio Tinto shareholders, and value enhancing for BHP Billiton shareholders
Cannington

Slide 23
Questions and Answers

Slide 24
BHP Billitons
senior management team
Chairman and Chief Executive Officer
Group Management Committee
Don Argus
Chairman

Chairman of BHP Billiton
Group since June 2001

Chairman of BHP Limited
since April 1999
Marius Kloppers
Chief Executive Officer

15 years resources
experience

15 years at BHP Billiton
Marcus Randolph
Chief Executive Ferrous and Coal

31 years resources experience

9 years at BHP Billiton

Previously worked at Rio Tinto
Alex Vanselow
Chief Financial Officer

19 years resources experience

19 years at BHP Billiton
Karen Wood
Chief People Officer

7 years resources experience

7 years at BHP Billiton
Michael Yeager
Chief Executive Petroleum

27 years resources experience

2 years at BHP Billiton
Alberto Calderon
Chief Commercial Officer

9 years resources experience

2 years at BHP Billiton

Slide 25

More information for shareholders

Internet

More information on BHP Billiton or BHP Billiton's offer for Rio Tinto can be found at either of the following web pages:

BHP Billiton:

www.bhpbilliton.com

BHP Billiton's offer for Rio Tinto:

www.bhpbilliton.com/RioTintoOffer

Or Email:

investor.relations@bhpbilliton.com

BHP Billiton Shareholder Information Helpline

If you have any additional questions you can contact the Shareholder

Information Helpline on the following numbers:

Australia toll free:

1300 766 363

New Zealand toll free:

0800 668 228

For other callers:

+61 3 9415 4365

BHP

Billiton

Shareholder

Services

-

Computershare

For information about your shareholding contact:

Within Australia:

1300 656 780

Outside Australia:

+61 3 9415 4020

Fax:

+61 3 9473 2460

