

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

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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 A THE PROSPECTUS AND ANY OTHER DOCUMENTS MADE AVAILABLE TO THEM AND/OR FILED WITH THE SE 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 requirements of those of the United States. Financial statements included in the document will be prepared in accordance with foreign accounting standards and 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 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 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's 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 commodity

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

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2021  
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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](http://www.bhpbilliton.com)



BHP Billiton's offer for Rio Tinto:

[www.bhpbilliton.com/RioTintoOffer](http://www.bhpbilliton.com/RioTintoOffer)

Or Email:

[investor.relations@bhpbilliton.com](mailto: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

