

Edgar Filing: RIO TINTO PLC - Form 425

RIO TINTO PLC  
Form 425  
February 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 an investor presentation that was given by Marius Kloppers, Chief Executive Officer, BHP Billiton.

BHP Billiton Offer for Rio Tinto  
6 February 2008  
Marius Kloppers  
Chief Executive Officer

Slide 2

6 February 2008

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under

the

securities

laws

of

any

such

jurisdiction

(or

under

an

exemption

from

such

requirements).

No

offering

of

securities

shall

be

made

into

the

United

States

except pursuant to registration under the US Securities Act of 1933, as amended, or an exemption therefrom.

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may

be

restricted

by

law

and

persons

into

whose

possession

this  
document  
comes  
should  
inform  
themselves  
about,  
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") of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order") or (ii) have professional qualifications falling within Article 19(5) of the Order or (iii) are outside the United Kingdom (all such persons being referred to as "relevant persons") or relied on by persons who are not relevant persons.

Information about Rio Tinto is based on public information which has not been independently verified.

Certain statements in this presentation are forward-looking statements. The forward-looking statements include statements regarding 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" or words of similar import. These forward-looking statements speak only as at the date of this presentation. These statements are, by their nature, subject to a number of known and unknown risks and uncertainties that could cause actual results, performance or 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 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, the following:

successfully combine the businesses of BHP Billiton and Rio Tinto and to realise expected synergies from that combination, the  
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,  
regulatory forces, future exchange and interest rates, changes in tax rates, future business combinations or dispositions and the  
Additional risks and factors that could cause BHP Billiton results to differ materially from those described in the forward-looking  
with the US Securities and Exchange Commission ("SEC"), including BHP Billiton's Annual Report on Form 20-F for the fiscal  
and  
Alcan's filings with the SEC, including Rio Tinto's  
Annual Report on Form 20-F for the fiscal year-ended December 31, 2006 and Alcan's Annual Report on Form 20-F for the  
fiscal year-ended December 31, 2006, 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  
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.  
BHP Billiton Offer for Rio Tinto

Slide 3  
6 February 2008  
Disclaimer  
(continued)  
None  
of  
the



statements  
concerning  
expected  
cost  
savings,  
revenue  
benefits  
(and  
resulting  
incremental  
EBITDA)  
and  
EPS  
accretion  
in  
this  
presentation  
should  
be  
interpreted

to mean that the future earnings per share of the enlarged BHP Billiton group for current and future financial years will necessarily exceed the future earnings per share of BHP Billiton, and the actual estimated cost savings and revenue benefits (and resulting EBITDA enhancement) will be greater than the estimated.

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 US bondholders under the Securities Act of 1933, as amended, by filing a Registration Statement (the "Registration Statement"), which will contain a prospectus (the "Prospectus"), as well as other relevant information with the U.S. Securities and Exchange Commission. This communication is not a substitute for any Registration Statement or Prospectus that BHP Billiton may file with the U.S. Securities and Exchange Commission.

INVESTORS  
AND  
U.S.  
HOLDERS  
OF  
RIO  
TINTO  
PLC  
SECURITIES  
AND  
ALL  
HOLDERS  
OF  
RIO  
TINTO  
PLC  
ADSs  
ARE  
URGED  
TO  
READ  
ANY

REGISTRATION

STATEMENT, PROSPECTUS AND ANY OTHER DOCUMENTS MADE AVAILABLE TO THEM AND/OR FILED WITH THE SEC IN CONNECTION WITH THIS TRANSACTION, AS WELL AS ANY AMENDMENTS AND SUPPLEMENTS TO THOSE DOCUMENTS, WHEN THEY 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 information from 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 the issuer once they are filed with the SEC.

Information for US Holders of Rio Tinto Ltd Shares

BHP Billiton Ltd is not required to, and does not plan to, prepare and file with the SEC a registration statement in respect of this offering. Shareholders should carefully consider the following:

The Rio Tinto Ltd Offer will be an exchange offer made for the securities of a foreign company. Such offer is subject to disclosure requirements that are different from those of the United States. Financial statements included in the document will be prepared in accordance with financial reporting standards comparable to the financial statements of United States companies.

Information Relating to the US Offer for Rio Tinto plc and the Rio Tinto Ltd Offer for Rio Tinto shareholders located in the United States

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

You should be aware that BHP Billiton may purchase securities of either Rio Tinto plc or Rio Tinto Ltd 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.

BHP Billiton Offer for Rio Tinto

Slide 4  
6 February 2008  
Background to the offer

Early 2007: BHP Billiton discussed a merger of equals. This concept was rejected by Rio Tinto

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1 November 2007: BHP Billiton made a confidential proposal to combine the companies. Rio Tinto rejected the proposal and refused to enter discussions

8 November 2007: BHP Billiton confirmed it had approached Rio Tinto with a proposal

12 November 2007: BHP Billiton announced the proposal following market speculation.

Since then:

Global roadshow has indicated a clear understanding of the industrial logic of the combination

Rio Tinto has refused to engage to discuss the proposal

21 December 2007: BHP Billiton required to put up or shut up by 6 February 2008

1 February 2008: Chinalco acquires a c.12% stake in Rio Tinto plc

6 February 2008: BHP Billiton is announcing offers for all of the outstanding shares of Rio Tinto  
BHP Billiton Offer for Rio Tinto

Slide 5  
6 February 2008  
BHP Billiton offer for Rio Tinto  
Rio Tinto plc Offer:

Rio Tinto plc shareholders will receive 3.4 BHP Billiton shares for every Rio Tinto plc share held

80% in BHP Billiton Plc shares

20% in BHP Billiton Ltd shares

Separate US offer (which forms part of the Rio Tinto plc Offer) to:

US resident shareholders of Rio Tinto plc shares

All holders of Rio Tinto plc ADRs

UK CGT rollover relief expected to be available for UK resident shareholders accepting the Rio Tinto plc Offer if there are approximately 70% acceptances under the Rio Tinto plc Offer

Rio Tinto Ltd Offer:

Rio Tinto Ltd shareholders will receive 3.4 BHP Billiton Ltd shares for every Rio Tinto Ltd share held

If compulsory acquisition is reached in the Rio Tinto Ltd Offer, then Australian CGT rollover relief is expected to be available for Australian resident shareholders accepting the Rio Tinto Ltd Offer

(a) With a mix and match facility

Notes:

a) To reach the compulsory acquisition thresholds in respect

of  
Rio  
Tinto  
Ltd,  
some  
or  
all  
of  
the  
Rio  
Tinto  
plc  
holding  
in  
Rio  
Tinto  
Ltd  
will  
need  
to  
be  
accepted  
into  
the  
Rio  
Tinto  
Ltd  
Offer  
by  
Rio  
Tinto  
plc  
or  
ASIC  
will  
need  
to  
provide  
relief

from the Australian Corporations Act. ASIC has indicated that it would consider an application for this relief, if it becomes ap  
BHP Billiton Offer for Rio Tinto



Slide 6  
6 February 2008  
BHP Billiton offer for Rio Tinto

Offers are inter-conditional

Subject to pre-conditions relating to certain anti-trust clearances in the EU, the US,

Australia, Canada and South Africa and FIRB approval in Australia

Conditional on more than 50% acceptances in respect of publicly-held shares

Subject to BHP Billiton shareholder approval and other terms and conditions set out in the offer announcement

Maintenance of BHP Billiton's progressive dividend policy

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

(a)

Buyback and any refinancing of Rio Tinto's borrowings to be funded through a combination of a US\$55bn committed bank financing facility, cash flow from operations, asset disposal proceeds and, if required, debt financing

Target single A credit rating

DLC structure maintained

Notes:

a)

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

Slide 7  
6 February 2008  
Unlocking value  
Why a combination with Rio Tinto?

Combined entity will have a unique portfolio of tier 1 assets

Enhanced ability to optimise  
and high-grade portfolio

Greater diversity and reduced value at risk

Combination makes sense in both a rising and a falling market

Uniquely  
positioned  
to  
meet  
the  
growing  
demands  
of  
the  
global  
economy

largely  
driven  
by  
China growth

Expected  
material  
quantifiable  
synergies  
and  
financial  
benefits  
unique  
to  
this  
combination  
(a)

US\$1.7bn nominal per annum from cost savings

US\$2.0bn additional nominal per annum primarily from volume acceleration

Other combination benefits

Broader stakeholders will benefit

Customers  
more product, more quickly and more efficiently

Communities, employees and developing countries  
BHP Billiton Offer for Rio Tinto

Notes:

a)

Estimated  
incremental  
EBITDA  
based  
on  
publicly  
available  
information.

To  
be  
read  
in  
conjunction  
with  
the  
notes

in  
Appendix  
IV

of  
BHP  
Billiton s  
announcement  
dated  
6-Feb-2008.

Full  
run  
rate  
synergies  
expected  
by  
year  
7.

Slide 8  
6 February 2008  
1.9x  
2.1x  
2.3x  
2.5x  
2.7x

2.9x

3.1x

3.3x

3.5x

1-Jan-07

4-Mar-07

5-May-07

6-Jul-07

6-Sep-07

7-Nov-07

Nil premium exchange ratio

Offer

Average since Alcan offer

3.4

2.4

Pre-approach the fair value share exchange ratio was 2.4:1

Exchange ratio

Source: Datastream

Note: 2:4 to 1 average exchange ratio assumes 100% BHP Billiton Ltd shares for each Rio Tinto Ltd share and BHP Billiton shares.

Average represents period between

Rio

Tinto

offer

for

Alcan

(12-Jul-2007)

and

BHP

Billiton

approach

to

Rio

Tinto

Board

(1-Nov-2007).

Shares

outstanding

as

at

31-Oct-2007.

Rumours of a

potential BHP Billiton bid

Rumours of Rio Tinto

offer for Alcan

Rio Tinto offer  
for Alcan  
BHP Billiton confirms  
approach to Rio Tinto Board  
Rio Tinto  
2006 results  
BHP Billiton  
2007 Results  
Rio Tinto  
1H 2007 Results  
BHP Billiton Offer for Rio Tinto



Slide 9  
6 February 2008  
Change  
in  
Rio  
Tinto  
market

capitalisation  
relative

to  
index

(a)(b)  
(US\$bn)

Source: Datastream

a)

The mining index represents all mining companies with a market capitalisation over US\$20bn on 7-Nov-2007, excluding Xstra

Freeport

McMoRan,

Norilsk

Nickel,

Southern

Copper,

Teck

Cominco

and

Vale.

b)

Chart represents the sum of the change in market capitalisation of each of Rio Tinto plc and Rio Tinto Ltd at each date to 31-Jan-

2007,

in

respect

of

Rio

Tinto

Ltd,

adjusted

by

the

movement

in

the

mining

index

from

7-Nov-2007

to

that

date

and

converted

to

US\$

at

the

spot

exchange

rate

for  
that  
date.

Change in Rio Tinto market capitalisation relative to index

BHP Billiton Offer for Rio Tinto

0  
10  
20  
30  
40  
50  
60

7-Nov-07

24-Nov-07

11-Dec-07

28-Dec-07

14-Jan-08

31-Jan-08

Change in Rio Tint

market ca

26-Nov:

Rio Tinto Investor

Presentation

12-Dec:

BHP Billiton Investor

Presentation

15-Jan:

Day one of Rio Tinto

Pilbara media visit

8-Nov:

BHP Billiton

confirms approach

to Rio Tinto

Slide 10  
6 February 2008  
The background to our offer

All share consideration  
relative value matters, not absolute value

BHP Billiton has outperformed Rio Tinto based on total shareholder return since the establishment of the BHP Billiton DLC

Prior to BHP Billiton's approach on 1 November 2007 we believe Rio Tinto was fairly valued by the market relative to BHP Billiton

A responsible offer

Compelling offer for Rio Tinto shareholders

Delivering value to BHP Billiton shareholders  
BHP Billiton Offer for Rio Tinto

Slide 11

6 February 2008

3.4:1 is a compelling value uplift for Rio Tinto shareholders

SER = 3.4:1 up from 2.4:1

(a)

44% of the combined company, up  
from 36%  
(a)

We believe that in the absence of our  
offer this value uplift is simply not  
available to Rio Tinto shareholders on  
a standalone basis  
Source: Datastream.

a)  
Implied  
ratio  
of  
2.4:1  
and  
36%  
holding  
of  
combined  
group  
based  
on  
BHP  
Billiton  
Plc  
and  
BHP  
Billiton  
Ltd  
closing  
share  
prices  
of  
£18.31  
and  
A\$46.10,  
Rio  
Tinto  
plc  
and  
Rio  
Tinto  
Ltd  
closing  
share  
prices  
of  
£44.90  
and  
A\$110.00,

respectively  
and  
exchange  
rates  
of  
2.077  
US\$/£  
and  
0.927  
US\$/A\$  
as  
at  
31-Oct-2007.  
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  
31-Oct-2007.  
Calculated  
before  
proposed  
initial  
share  
buyback;  
assumes  
that  
all  
Rio



Tinto  
options  
estimated  
to  
be  
outstanding  
as  
at  
31-Oct-2007  
are  
exercised  
with  
exercise  
price  
cash  
settled  
and  
resulting  
Rio  
Tinto  
shares  
exchanged  
for  
BHP  
Billiton  
shares.  
Chart  
commences  
day  
prior  
to  
announcement  
of  
Rio  
Tinto's  
offer  
for  
Alcan.  
Relative  
market  
capitalisation  
(a)  
BHP Billiton Offer for Rio Tinto  
34%  
36%  
38%  
40%  
42%  
44%  
46%

11-Jul-07

8-Aug-07

5-Sep-07

3-Oct-07

31-Oct-07

Offer

Relative Market Capitalisation

44%

36%

Slide 12  
6 February 2008  
45%  
32%  
30%  
28%  
27%

10%

25%

5%

Median: 27%(d)

3.4:1

is a compelling value uplift for Rio Tinto shareholders

45% premium to the combined  
volume weighted average market  
capitalisation

(a)

21% premium to the combined  
market capitalisation based on  
closing share prices on  
4 February 2008

(b)

We believe that in the absence of our  
offer this value uplift is simply not  
available to Rio Tinto shareholders  
on a standalone basis

Precedent mega cap resources all stock transactions  
(Premium, %)

(c)

BHP Billiton Offer for Rio Tinto

Source: SDC, company filings and press articles.

a)

Premium

based

on

the

combined

volume-weighted

market

capitalisation

of

Rio

Tinto

based

on

the

volume-weighted

average

closing

share

prices

over

the

month

ended  
31-Oct-2007  
of  
£43.09  
and  
A\$109.20  
for  
Rio  
Tinto  
plc  
and  
Rio  
Tinto  
Ltd  
respectively  
and  
volume-weighted  
average  
closing  
share  
prices  
over  
the  
month  
ended  
31-Oct-2007  
of  
BHP  
Billiton  
Plc  
and  
BHP  
Billiton  
Ltd  
of  
£17.99  
and  
A\$45.77  
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  
9-Nov-2007  
and  
exchange  
rates  
of  
2.077  
US\$/£  
and  
0.927  
US\$/A\$  
as  
at  
31-Oct-2007.  
b)  
Premium  
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  
BHP  
Billiton  
Plc  
and  
BHP  
Billiton  
Ltd  
of  
£16.49  
and  
A\$39.32  
respectively  
on  
4-Feb-2008.  
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  
4-Feb-2008  
and  
exchange  
rates  
of  
1.976  
US\$/£  
and  
0.910  
US\$/A\$  
as  
at  
4-Feb-2008.  
c)  
Includes  
all  
resources  
transactions  
over  
US\$20B  
from  
1-Jan-1980  
to  
31-Jan-2008  
with  
all  
stock  
consideration,  
excluding  
Royal  
Dutch  
Shell  
unification  
and  
Statoil  
/  
Norsk  
Hydro.  
Offer  
premium



based  
on  
the  
one  
month  
VWAP  
of  
each  
acquirer  
and  
target  
ending  
on  
the  
last  
undisturbed  
trading  
day  
for  
the  
target.  
d)

Median excludes BHP Billiton / Rio Tinto.

Slide 13

6 February 2008

Transaction is value enhancing for BHP Billiton shareholders

Pro-rata exposure to post combination synergies

Quantified

incremental  
EBITDA  
expected  
to  
grow  
to  
estimated  
US\$3.7B  
(a)  
per  
annum

Strengthened asset portfolio and future growth and growth options

Cash  
flow  
per  
share  
accretive  
from  
the  
first  
full  
fiscal  
year  
following  
completion  
(b)

Earnings  
per  
share  
accretive  
from  
the  
first  
full  
fiscal  
year  
following  
completion  
(c)

Opportunity  
to  
participate  
in  
the  
proposed  
initial

share  
buyback  
of  
up to  
US\$30B  
(d)

Progressive dividend policy to be maintained

Benefits only achievable by this combination

Notes:

- a)  
Full run rate synergies expected to be achieved by Year 7. Nominal terms assumes US inflation of 2.5%.
- b)  
After adjusting for the proposed share buyback.
- c)  
After  
adjusting  
for  
the  
proposed  
share  
buyback  
and  
excluding  
depreciation  
on  
the  
write-up  
of  
Rio  
Tinto's  
assets.
- d)  
Assumes BHP Billiton acquires 100% of the shares in Rio Tinto Ltd and Rio Tinto plc.  
BHP Billiton Offer for Rio Tinto

Slide 14  
6 February 2008  
Regulatory approvals

Posting of offer documentation is subject to pre-conditions relating to certain anti-trust clearances  
in

the  
EU,  
the  
US,  
Australia,  
Canada  
and  
South  
Africa  
and  
FIRB  
approval  
in  
Australia

Necessary  
regulatory  
reviews  
expected  
to  
be  
completed  
during  
the  
second  
half  
of  
2008

Pre-notification discussions are in progress with the European Commission

Formal notification expected to be filed with the European Commission in the first quarter of 2008

Transaction timetable incorporates scope for EU merger control process to involve Phase II investigation completing in the second half of 2008

Preliminary contacts made with relevant anti-trust authorities in the US, Australia, Canada and South Africa and formal notifications will be filed in those jurisdictions in due course

Following detailed analysis, BHP Billiton believes regulatory concerns can be addressed without meaningfully impacting the benefits of the combination

BHP Billiton Offer for Rio Tinto

Slide 15  
6 February 2008  
BHP Billiton  
Superior production growth has  
delivered superior returns for shareholders

Notes:

a)

Source: Rio Tinto production numbers sourced from 2006 Annual and 2007 Half-Year Reports. Note: Production shown for the equivalent

units

using

BHP

Billiton

FY2007

average

realised

prices

and

BHP

Billiton

estimates.

Excludes

production

from

sold/ceased

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)

100

110

120

130

140

150

160

170

FY01

FY02

FY03

FY04

FY05

FY06

FY07

BHP Billiton

8% CAGR

Rio Tinto

4% CAGR

Market

capitalisation

(b)

(US\$bn)

BHP Billiton Offer for Rio Tinto

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

Slide 16  
6 February 2008  
Summary

BHP Billiton approached Rio Tinto on 1 November 2007 and considers that pre-approach  
the companies  
market capitalisations

demonstrated fair relative value

This  
fair  
value  
is  
represented  
by  
a  
SER  
of  
2.4:1,  
with  
Rio  
Tinto  
shareholders  
entitled  
to  
36% of the combination  
(a)

Since the date of the proposal and the subsequent announcement of the proposal terms

Global roadshows  
have confirmed shareholders have a clear understanding of the  
compelling industrial logic of the deal

Nothing has changed BHP Billiton's view on relative fair trading value

BHP  
Billiton  
is  
now  
directly  
offering  
Rio  
Tinto  
shareholders  
a  
material  
45%  
(b)  
premium  
for  
control,  
continued  
participation  
in  
the  
combined

company,  
and  
an  
opportunity  
to  
capture  
a  
pro rata share of the unique value unlocked by the combination

This offer is compelling for Rio Tinto shareholders

Notes:

a)  
Implied  
ratio  
of  
2.4:1  
and  
36%  
holding  
of  
combined  
group  
based  
on  
BHP  
Billiton  
Plc  
and  
BHP  
Billiton  
Ltd  
closing  
share  
prices  
of  
£18.31  
and  
A\$46.10,  
Rio  
Tinto  
plc  
and  
Rio  
Tinto  
Ltd  
closing  
share  
prices  
of  
£44.90

and  
A\$110.00,  
respectively  
and  
exchange  
rates  
of  
2.077  
US\$/£  
and  
0.927  
US\$/A\$  
as  
at  
31-Oct-2007.

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 31-Oct-2007. Calculated before proposed initial share buyback; assumes that all Rio Tinto resulting Rio Tinto shares exchanged for BHP Billiton shares.

b)  
Premium based on the combined volume-weighted market capitalisation of Rio Tinto based on the volume-weighted average closing share prices of Rio Tinto Ltd respectively and volume-weighted average closing share prices over the month ended 31-Oct-2007 of BHP Billiton Ltd  
ordinary  
shares  
outstanding  
(excluding  
Treasury  
shares  
and  
cross  
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.  
BHP Billiton Offer for Rio Tinto

Appendix



Slide 18  
6 February 2008  
Indicative timetable  
Event  
Date  
Satisfaction of regulatory approval pre-conditions  
Second half of 2008

Posting of offer documents for Rio Tinto plc Offer and  
Rio Tinto Ltd Offer to shareholders

Day 0

(Within 28 days after the pre-conditions  
are satisfied)

Last date for fulfilment of minimum acceptance condition in Rio Tinto  
plc Offer

Day 60

Last date for fulfilment of all conditions to the Rio Tinto plc Offer  
and all conditions to the Rio Tinto Ltd Offer (because offers  
are inter-conditional)

Day 81

First date for delivery of consideration under the offers  
Within 14 days after the offers become wholly  
unconditional

BHP Billiton Offer for Rio Tinto

