

J-S Jacques

Slide 3 – JS Jacques, Chief Executive

Thank you Menno and good morning all.

I am very happy, together with the team... to welcome you to our 2019 results presentation. Let me start by setting the scene.

Rio's purpose is to produce the materials essential to human progress, now and in the future. We are focused on two things: perform today and transform for tomorrow.

Slide 4 - As pioneers in mining and metals we produce materials essential to human progress

Perform is what we are doing right now, to deliver superior value to our shareholders. 2019 is another very good example of our success here, and we will cover our performance highlights now.

Transform is about what we are doing to prepare for the future. And we are already doing a lot. I will cover this in the second part of the presentation.

Slide 5 - A strong performance in 2019

2019 was another very successful year for Rio Tinto... and our shareholders.

A year of strong financial performance.

A year we delivered significant cash flow while maintaining balance sheet strength...

A year we invested in high quality growth.

...And a year we paid \$11.9 billion of cash returns to shareholders.

Today we have announced a record final dividend of \$3.7 billion taking our total cash returns to shareholders over the last four years to \$36 billion. Our commitment is to deliver superior shareholder value through the cycle, and we are consistently achieving this.

In 2019 we generated \$21 billion of EBITDA, with a strong margin of 47% resulting in an industry leading return on capital employed of 24%. We generated \$15.8 billion of operational cash flow that we allocated with discipline, including investing \$2.6 billion in high value growth. Our strong exploration investment of \$600 million in 2019 shows we are also out there looking for the next world class businesses.

Most of all... I am proud of our safety performance. Safety is a core value. And in 2019, we had no fatalities at a Rio operation.

This reflects the work of every one of our colleagues and contractors around the world, but we must maintain this and keep the focus. As we must, with all other aspects of

operational excellence. Strong operational performance underpins strong financial performance... as does our commitment to sustainability.

Slide 6 - Sustainability performance supported by strong profitability

Sustainability is a key enabler of our strategy and financial performance. Core to our approach to sustainability is: profitability. Our goal is to run a safe, responsible and profitable business. Of course, the more profitable we are, the more we can contribute and share wealth across multiple stakeholders.

And in 2019 we delivered here as well. Let me give you some examples. Rio Tinto employs around 46,000 people globally, with over 100,000 contractors. We work with suppliers in more than 120 locations, with a total spend of around \$17 billion in 2019. AND we have paid \$7.5 billion in taxes and royalties globally to governments and communities.

We also have thousands of retail shareholders. So, we are VITAL contributors to economies, communities, shareholders and supply chains.

Over the years we have been working hard to create wealth in a responsible and sustainable way. We have improved our environmental performance. Over the last 10 years we have reduced our global Greenhouse Gas emissions by 46%.

We continue to invest in renewables. For example, just last week, we announced a \$100 million investment in a solar and battery solution in the Pilbara. We will invest 55 million Canadian dollars in Elysis, our breakthrough technology for aluminum.

Today, we release our new climate change targets. I will share more on this shortly. AND we ended 2019 as number 2 on the global human rights index, only behind Adidas. A great performance in a complex industry.

Slide 7 - \$11.9bn of cash returns paid in 2019 with \$3.9bn in H1 2020

In summary, today Rio Tinto is a stronger and more resilient company, because we have the right strategy to perform and transform.

As you can see we have once again delivered industry leading profitability, strong cash flow and significant returns to shareholders. We continue to invest in the future: in both organic growth and in sustaining our operations.

We have a world class portfolio of assets and we have one of the strongest balance sheets in the sector with \$3.7 billion of net debt. This provides us with resilience, which is absolutely vital in an increasingly complex and volatile world. It also positions us well for the future.

And I will tell you more after Jakob shares further details on the 2019 financials.

Jakob Stausholm

Slide 9 - Strong financial results

Thank you JS and good morning ladies and gentlemen.

As JS has already told you, today we have announced a set of strong financials for 2019. Our top-line revenue grew by 6 per cent compared to 2018 and we saw double digit increases in underlying EBITDA and underlying earnings, which grew by 17 per cent and 18 per cent respectively.

This is despite the absence in 2019 of significant revenue and earnings from now divested assets, in other words we have delivered more from less. Net earnings were lower entirely due to impairments.

In the first half, we recognised an impairment relating to Oyu Tolgoi and at year end there was an impairment at Yarwun. Our return on capital employed of 24 per cent was the highest for almost a decade. And we were able to turn the earnings into cash.

We had excellent cash conversion of EBITDA to cash flow of 70% and cash flow from operations grew by 34 per cent and our free cash flow relating to 2019 reached \$10 billion, an increase of 41 per cent.

This, combined with a strong balance sheet, meant that the Board was able to declare a final dividend of \$3.7 billion which will be paid in April. The full year dividends of \$7.2 billion represent a 70 per cent pay-out.

Slide 10 - EBITDA supported by price

As you can see, in aggregate higher prices and a strong US dollar drove the increase in EBITDA in 2019.

Operational challenges, including significant weather impacts, resulted in lower volumes particularly in the Pilbara, leading to higher cash unit costs across the group.

Slide 11 - Commodity prices moved in different directions

Most commodities declined in 2019 reflecting a weakening in the global economy. We however, in aggregate, had a positive impact from prices due to iron ore. The iron ore price benefitted from significant supply disruptions starting with the tragic incident in Brazil but also from very strong steel demand from China.

Steel production, for the first time, exceeded 1 billion tonnes on an annualised basis. However, both Aluminium and Copper prices were weaker last year compared with 2018.

In Aluminium, both the LME price and the mid-west premium fell in 2019 due to the slowing of global trade and weaker demand from transportation, in particularly automotive. Copper prices, which often reflect the state of the world's economy, also decreased in 2019, particularly in the second half of the year.

Slide 12 - Maintained industry-leading profitability....

In 2019, Rio Tinto further improved profitability to 24 per cent return on capital employed. The last time we had similar profitability was in 2011 and at that time the iron ore price was approximately 80 per cent higher than in 2019.

Our industry leading profitability is not a short term trend and the strength and resilience of our business is illustrated by the fact that during the last two decades we have only had one year of single digit return on capital employed.

Slide 13 - ...which we continue to translate into strong cash flows

Most importantly, we have a business model that has the ability to turn earnings into cash and since we amended our capital allocation framework back in 2013, we have delivered strong free cash flow.

In 2019, we generated \$10 billion of free cash flow, excluding the tax payment made in 2019 relating to the divestments completed in 2018. This is the highest in almost a decade.

Now let's dive into the individual parts of our business, starting with iron ore.

Slide 14 - Iron Ore

Our iron ore business is truly world-class.

Revenue has increased by 29 per cent, EBITDA by 41 per cent which generated an EBITDA margin of 72 per cent. We started 2019 with the intention to slowly grow our shipments.

However, higher than planned weather disruptions, a fire at our Cape Lambert port and some operational challenges in the first half meant that overall for the year there was a 3 per cent decline in shipments.

It was however, encouraging to see the increase in iron ore production in the second half. We were able to run the system at an annualised run rate of approximately 340 million tonnes, reflecting the investment that we made in mine development.

Operating costs increased in 2019, to \$14.40 per tonne. This was partly due to lower shipments but also additional costs associated with waste movements.

This year has had a challenging start and we were impacted by Tropical Cyclone Damien earlier this month. As a result, we have reduced our 2020 shipment guidance

for the Pilbara to be between 324 and 334 million tonnes.

We are currently expecting a 12 per cent increase in the work index at our mines and a higher proportion of below water table mining. Despite this we are expecting similar unit costs of \$14 to \$15 per tonne in 2020 albeit based on a slightly weaker Australian dollar. We will focus on productivity and technology to sustain a low cost position.

During 2019, we continued our controlled ramp up of our investments in the Pilbara. This increase included spend on Koodaideri Phase 1 and the Robe replacement project, our recently approved investment in Western Turner Syncline Phase 2 and the investment required to sustain and improve the future reliability of our world-class assets.

We expect sustaining capex for the coming years to stay between \$1 and \$1.5 billion per year. Strong financials, combined with continued capital discipline lead to an industry leading return on capital employed of 67 per cent.

Slide 15 - Aluminium

Moving on to Aluminium.

During the year the business faced very difficult market conditions across the value chain. Bauxite production grew by 9 per cent during the year following the ramp-up of Amrun with 3rd party shipments increasing by 21 per cent.

Production in Alumina and Aluminium were fairly stable despite some operational disruptions with earlier than expected pot re-lining required at Kitimat and the impact of significant maintenance in Alumina.

EBITDA has decreased 26 per cent and the EBITDA margin fell 6 percentage points to 26 per cent due to lower prices which were partly offset by lower input costs and the increase in Bauxite volumes.

Despite the continued investment, particularly in sustaining capex, we continue to generate healthy free cash flow of \$800 million. The return on capital employed in this business reflects the tough operating backdrop for the industry and was 4 per cent in 2019.

Overall, we have a strong portfolio of Aluminium assets, however some are weaker, due to structural power disadvantages. We are doing everything we can to improve these assets and this led to the announcement of the strategic review of our assets in New Zealand and Iceland.

Slide 16 - A strong global aluminium business

There should be no doubt that we are not satisfied with the profitability of our Aluminium business. Nonetheless what you need to ensure, particularly in tough

times, is that you are competitive.

What you can see here, is that our assets continue to generate the leading EBITDA margin in the industry.

Slide 17 - A strong global aluminium business

Moving onto our Copper and Diamonds business.

In 2019, we experienced really good operational performance but the financial performance was masked by lower prices and one-off items. Our realised copper price fell 7 per cent in 2019. We also had lower production of copper due to, as anticipated, lower grades and lower production of diamonds as these assets are getting closer to the end of mine life.

Despite 11 per cent lower grades at both OT and Kennecott, production at these assets only fell by 8 per cent as we were able to offset the grade decline with productivity improvements.

2020 is a transitional year, where Copper production is expected to be impacted further by lower grades, particularly at Oyu Tolgoi and Kennecott. Higher grades will first be achieved with the completion of the Southwall Pushback project in early 2021.

Unit costs were well managed and reduced significantly in 2019, partly due to higher by-product credits. We expect that the unit costs for Copper will increase in 2020 due to lower production and lower by-product credits.

EBITDA was down 17 per cent on an absolute basis mostly due to lower prices and volumes. The reduction year on year was 9 per cent when excluding the \$200 million one-off cost of moving from a coal to a renewable power contract at Escondida.

During 2019, we continued to invest significantly in Copper particularly in the OT underground project and the sustaining South Wall Pushback project at Kennecott.

In addition, we have invested in developing our understanding of the Resolution ore-body through increased evaluation expenditure, which goes through the P&L and most of our exploration expenditure goes towards Copper. Without stealing JS's thunder a good example is Winu.

We are heavily investing in our copper business, which is a short term drag on profitability and cash flow. However, please note that Oyu Tolgoi capex is being reported on a 100 per cent basis as it is fully consolidated.

Slide 18 - Energy & Minerals

Our Energy and Minerals business recovered very well from the disruptions in 2018.

The external environment was strong, with favourable pellet prices for IOC and Titanium slag prices for the RTIT business.

On top of this, there were significant increases in production at both these businesses. Excluding the contribution of the coking coal assets, which were divested in 2018, we saw a 15 per cent increase in revenues, 41 per cent increase in EBITDA and the business generated a return on capital employed of 15 per cent in 2019.

In late 2019, we curtailed production at Richards Bay Minerals in South Africa following a series of security related incidents as the safety of our people is our first priority. Whilst we were able to safely restart operations, these will take some time to ramp back to full capacity and this is reflected in our 2020 production guidance. We will review the restart of the Zulti South replacement project only when operations at RBM have normalised.

Slide 19 - Disciplined allocation of capital

While Rio Tinto continues to adapt to the external world, there is one thing that does not change and that is our capital allocation framework. We will continue to be very disciplined in allocating capital.

First, we look carefully at the level of essential sustaining capex required, as maintaining our high quality assets is our first priority. We need to invest in these not only to maintain them, to keep them strong but also to improve their productivity.

Secondly, we are committed to delivering against our dividend policy. And, then it is an iterative cycle of further returns to shareholders, compelling growth opportunities and continuing to maintain a strong balance sheet.

Slide 20 - Controlled ramp-up of investments

We have, over the last few years, consistently talked about a disciplined ramp-up in our capital investments and this is exactly what we have done and exactly what we intend to do. We indicated at our capital markets day that our 2019 capex would be slightly below the guidance of \$6 billion and adjusted this to \$5.5 billion due to the timing of expenditure.

However, we still need to spend this money and we therefore increased the guidance for 2020 to \$7 billion. Other than that we see the level of capital expenditure in the short to medium term to be around \$6.5 billion per year.

Today, we are also announcing \$1 billion of climate related spend over the next 5 years. The portion of this spend which is capex, is included in our guidance. In 2019, we increased our sustaining capital to \$2.9 billion however we expect to spend on average around \$2.5 billion per year in the years to come.

We will continue to ensure that we are disciplined in our capital allocation and will only invest in value accretive projects.

Slide 21- Our strong balance sheet...

At the beginning of 2019 we implemented the IFRS16 standard relating to leases. The overall impact of this was an increase to net debt of \$1.5 billion.

During 2019, we paid out \$10.3 billion in dividends and bought back \$1.6 billion of our own shares. Overall, after the impact of operating cash flow and capex, our net debt at the end of 2019 was \$3.7 billion.

Slide 22 - ...is an asset

On a pro-forma basis we have continued to de-lever our balance sheet over the last few years and also in 2019.

We are, as a company, very comfortable with the strength our balance sheet. During uncertain times, this gives us comfort that we are able to continue to invest in our business and to continue to provide superior returns to our shareholders.

Slide 23 - Shareholder returns based on a well defined pay-out policy

Our shareholder returns have consistently exceeded our dividend policy.

The dividend policy is to pay out 40 to 60 per cent of underlying earnings through the cycle and as you can see, over the last four years, our ordinary dividend has been at the top of that band and we have every year paid some additional returns and have also returned the proceeds from divestments.

On average over the last four years, the payout ratio has been just over 70 per cent and if you take into account the divestments proceeds the average pay-out ratio has been in excess of 100%.

Slide 24 - Our investment case

Let me finalise here and take a step back before handing back to JS who will talk about the future.

I wanted to leave you with my thoughts on what is behind the results we have disclosed today. It is, in my view, the strength of our assets and the way we run our business that has delivered double digit earnings, double digit free cash flow and double digit shareholder returns in 2019.

This demonstrates our strength and resilience that should serve us well for the future.

Thank you and over to you JS.

JS Jacques

Slide 26 - Rio Tinto is well positioned to deal with short-term volatility ...

Let's now spend some time looking ahead, starting with the very near term, before talking about our transformation journey. As we've always said, there are two key drivers for the mining industry, global GDP growth and trade.

Today, we face a very uncertain world on both drivers, due to the outbreak of the Coronavirus. As we all know, this is resulting in restriction to the global movement of people and potentially trade flows. And, the effects of the virus have also affected sentiment and creates a risk to global GDP.

Indeed, the Chinese economy has already been impacted – mainly the services, construction and manufacturing sectors – and supply chain disruptions are a real possibility.

Our Singapore and Shanghai teams are closely monitoring the situation. We are watching high frequency activities, such as the traffic in Shanghai and of course, production flows.

Whether the recovery is V shaped or L shaped will be in part a result of peoples' ability to return to work. Today our Iron Ore books are full, but we are likely to see some short-term impacts, such as in our supply chains and possibly in the provision of services from Chinese suppliers.

So, there is uncertainty today but what we do know is that the Chinese government is acting. With a first priority to contain the virus, then to resume economic activity and limit supply chain impacts.

The government has many possible stimulus measures at their disposal and we expect them to act. We believe this action will have a positive impact later in the year.

Slide 27 - ...with low-cost assets and strong balance sheet

As volatile as the current conditions are, Rio Tinto does well in tough times. Our strong balance sheet, world class assets AND the quality of our relationships with our customers, help us outperform in an uncertain world.

Across all commodities, the majority of our assets sit at the bottom of the cost curve. Our world class assets in the Pilbara will continue to generate tier 1 cash flow. And our Canadian aluminium smelters are in the first quartile, producing the most profitable and sustainable aluminium in the industry.

Our balance sheet also offers protection in volatile times and we are comfortable with where our net debt sits today.

Slide 28 - Pressures are growing in a 'New Era' of complexity

As we manage short-term volatility, we are also planning for the future.

Last year we talked about a 'new era' of complexity, one of: growing political tensions, higher expectations of society, and technology disruptions. This has certainly been the case since we talked about it.

We should not see 'complexity', though, just as downside risk, there is also plenty of opportunity for a company like Rio Tinto in this new era.

The transition to a low carbon future, and other demand drivers such as electrification, urbanisation, and continued industrialisation of the developing world will be materials intensive.

We have been working on our transform agenda for some time now, to make the most of these future trends. I will cover more on this in a moment.

We have applied our 4Ps strategy across a number of future scenarios, and under each, we are WELL positioned for success.

I am confident we will deliver high quality products for our customers; superior value for shareholders; and wealth for all stakeholders in the years to come.

Slide 29 - Transforming for tomorrow

To do this, we are looking to accelerate our transformation drive in three key areas:

1. Building a portfolio of products underpinned by world class assets to support the transition to a low carbon economy. Let me give you an example: we are the only large diversified company not mining coal or extracting oil & gas.
2. Operating our assets in an economic and sustainable way, underpinned by technology and innovation. Looking at things like land re-use and recovery of minerals from tailings.
3. Enhancing our value chain through a partnership ecosystem approach - this includes connecting the resources to the end market, building stronger relationships with our customers and suppliers, and working with communities. Such as our partnership with Baowu and Tsinghua University and our partnership with Apple, Alcoa and the Canadian and Quebec governments.

These three actions will be underpinned by data to provide real-time insight and our programme to build the relevant skills.

Let me cover one of these now: Building a portfolio of the future. Any talk on our future portfolio, must include a discussion on the transition to a low carbon economy and what this means for our industry, in terms of profitability.

Slide 30 - Climate change portfolio matrix; 32Mt CO₂e in 2018¹

First, let's look at our portfolio today.

Most of our assets already have very low emissions intensity compared to industry averages. This is a great place to be, but any material improvement in emissions intensity will be challenging without technology breakthroughs.

We acknowledge we have a challenge around our PACAL assets, which sit significantly below the carbon intensity / EBITDA line.

The message here is very clear, we MUST improve our cost position starting with competitive power contracts and develop long-term pathways to reduce our carbon footprint.

We are working with all our stakeholders to find solutions but time is of the essence.

This is an example of how we are shaping our portfolio right now by looking at both cost competitiveness and emissions intensity. We will continue this approach to build our portfolio of the future.

Slide 31 - Our assets mirror global demand themes

AND we are confident. The long-term fundamentals of our industry are VERY strong. We also expect that greater electrification and a shift to a low carbon economy will be highly materials intensive.

Our current portfolio, and the growth we have in the pipeline, means we are well placed to make the most of these trends.

The important point is this, we will not grow for the sake of it. We will assess the supply and demand fundamentals of each of our core markets and make informed decisions aligned to our value over volume approach

In iron ore we have a world class business. In 2019, we delivered a 72% EBITDA margin. Our resource base will enable us to deliver superior cash flow for many years to come.

And we are investing in renewables. Our world class Canadian aluminum business, is at the bottom of the cost and emissions curve thanks to our hydro base and sector-leading technology. It is well positioned to meet future market demands in North America.

We are growing our copper exposure through our existing pipeline and through exploration. We are also looking at options to invest in other materials of the future, through internal and external growth.

What is important for us is to continue to build over time an asset portfolio and pipeline of growth options that contributes to a low carbon future.

Slide 32 - Growth is all about value: invest in assets and create options through exploration

Growth for us is all about sustainable value generation and returns for our shareholders. It is not about volume, or emissions targets per se. It is about building sustainable cash flow.

We have two levers to improve our portfolio:

One, new high-quality assets, with a primary focus on organic options. Our ventures unit has a continuous and rigorous commitment to M&A and we have reviewed more than 200 opportunities. We will only transact if it is value accretive to do so.

And two:

we will continue to improve our margins and carbon footprint at our existing assets through operational and commercial excellence, enabled by technology and innovation.

Rio Tinto is patient and we take the long-term view. We have managed to reinvest and transform ourselves over the history of the company. And we will continue to do so.

For example, in the 1960s, around 80% of Rio Tinto's profit was from copper and uranium. Our job is to create options which we can progress to meet market demand.

A great example of one is Winu, our copper opportunity in WA.

Slide 33 - We are accelerating Winu

And the project is progressing well.

Drilling and geophysical testing continues, with nearly 140 kilometres drilled to date and our studies work is underway. We are looking to stage-gate the project, starting small but allowing optionality for growth over time.

We are progressing a discussion with the Traditional Owners with an aim to deliver first production in 2023. I talked last year about the potential for the industry to look at growth differently - this is an example of what I described in action.

This approach allows us to provide copper for society and quicker cash flows to shareholders, communities and governments. We will keep you updated as we progress.

Slide 34 - We need an honest debate amongst stakeholders

I will now make some specific comments on climate change, as we release our targets today.

Let's take a step back and consider the global low carbon transition challenge. There are no easy answers. There is no clear pathway right now for the world to get to net zero emissions by 2050.

The ambition is clear but the pathway is not.

This will require:

- electrification of transport
 - Energy and resource efficiency across the value chain
 - Decarbonisation of energy generation
 - Transformation of agriculture and land use,
- to name but a few

New technologies, partnerships and effective government policies will be key.

The challenge for the world, and for the resources industry, is to continue the focus on poverty reduction and wealth creation, While delivering climate action. This will require complex trade-offs which means we all need to face up to some challenging decisions, such as:

For consumers - are you willing to pay a premium for services and products that are greener and to support developing nations? Are you willing to consume less?

For governments - are you willing to sacrifice economic growth and associated jobs to deliver climate goals?

and for shareholders - are you willing to see a reduction in shareholder returns to finance climate action...are you willing to cap your growth in the short term?

There are very different views across countries, communities, politics and businesses. We need to have honest conversations.

Slide 35 - Our climate change strategy is in four areas – track record of performance against each

At Rio Tinto we are pragmatic. We have a clear climate change strategy which has four pillars, based on producing, reducing, partnering and enhancing.

That is:

1. Producing the materials for a low carbon future
2. Reducing the carbon footprint of our operations
3. Partnering to reduce the carbon footprint across our value chains; and
4. Enhancing our resilience to physical climate change risks.

We have delivered strong performance in each of these.

Slide 36 - Our climate change strategy update

Our ambition is clear: to get to net zero by 2050. This is a massive undertaking. It means all of our future growth will need to be carbon neutral. And we will need new

technologies and partnerships. We do not have a roadmap but we are working on it.

Today we are announcing our 2030 targets based on detailed analysis:
An additional 30% reduction in emissions intensity from our operations.
An additional 15% reduction in absolute emissions from our operations.
It comes on the back of 46% reduction in GHG emissions since 2008.

Our targets were developed through detailed marginal abatement cost curve (MACC) analysis, asset-by-asset. But of course we will try to do better and more, quickly. We believe it is now about action and results.

Slide 37 - Using technology to tackle critical climate challenges
- \$1 billion over five years

Indeed, to support our work and that of our customers and suppliers we will invest a further \$1 billion in climate change over the next five years.

Like the \$100 million Pilbara renewable investment we just announced last week. Like technology break-through initiatives, such as Elysis. These projects will be delivered with the support of our new energy and climate change Centre of Excellence group, which we established late last year.

Slide 38 - \$36bn cash returns since 2016 including \$3.9bn in H1 2020

Let me close with performance and by looking at our superior value creation.

The last four years are not just about strong financial and portfolio performance, it is also a story of consistent capital allocation. Our underlying business generated over \$62 billion over a four-year period. 80%, or \$50 billion of this, came from cash from operations.

On the back of this, we paid \$36 billion since 2016, and paying a further \$3.9 billion to our shareholders in the first half of 2020. That is equivalent to over 67% of our market capitalisation at the beginning of 2016.

We have strengthened the portfolio, divesting \$12 billion of assets. We have paid down \$12 billion of our debt, and we have invested \$18 billion in growth and in sustaining our world class assets.

Our track record is strong and we have a solid base for future investment and returns. However, the next six months could bring some challenges, but the long term outlook for the industry is positive.

Rio is well placed. We are a resilient business. We have a clear strategy to perform and transform. It is all about creating sustainable and superior value day-in-day-out.

Now for questions. We have Chris, Alf and Steve on the phone, and the rest of the team are in the room.