J-S Jacques
Thank you John. and good morning all.

I am delighted together with Jakob and the team, to welcome you to our 2019 half year results.

Slide 4 - A strong first half
It has been a very strong financial performance. We have delivered an EBITDA margin of 47%, the highest in the last 10 years, and a return on capital employed of 23%, in line with the best in class industrial blue chip companies.

We delivered free cash flow of $4.7 billion, up 65% compared to the same period last year.

We have maintained a very disciplined approach to capital allocation.

We have paid $7.8 billion of cash returns to our shareholders so far in 2019, delivering on our commitments. And we have just announced we will return a further $3.5 billion in dividends. As a result, our shareholders will receive $12 billion in cash returns in 2019.

We have invested $2.4 billion in our assets, a similar level to last year. And we have one of the strongest balance sheets in the sector, with net debt at $4.9 billion which highlights the financial strength of Rio Tinto.

So our financial performance was very strong, thanks to a robust iron ore pricing environment. However, I want to acknowledge upfront that we have experienced operational challenges this year, including fully optimising our iron ore system.
This is not good enough. And we are taking clear action.

I will take you through this. I will also cover our plans for Oyu Tolgoi and update you on our other growth options.

A number of my team are here today to take additional questions you may have after the presentation

Slide 5 - Safety
Now let me to turn to one of our operational highlights of the half, safety. I’ve said it before - safety is our number one priority. There is nothing more important.

In 2019 we have had no fatalities. Our AIFR has improved. Our severity rate has reduced, and there has been a reduction in process safety incidents.

But we are not complacent. We continue our focus on major hazard risk management, interrogating our tailings and water storage management in even more detail.

After the tragic incident in Brazil we continue to look at everything we do. As you know, in February we disclosed our global tailings and water storage facilities, and our controls and approach to managing them. We provided even further information in June. We are working with the ICMM and our peers in this space to develop an international standard on tailings storage facilities.

Our aim is to continue to improve our safety performance, which is a core part of our approach to sustainability.

Slide 6 - Sustainable development in action
Sustainability is an absolutely vital part of doing business in the 21st century.
It is not a new initiative, but central to the way we run our business.

Key to our approach to sustainability is profitability. If we are not profitable, we cannot contribute positively to the world around us in the long term.

We have three key areas of focus. First, running a safe, responsible and profitable company. Second, collaborating to enable long-term economic benefits. Third, pioneering materials for human progress. We progressed on all three of these in the first half.

I have already covered safety, so let's take a look at a few more of the performance highlights. In February we published our first climate change report aligned to the TCFD framework, which outlines our key areas of focus, to:
1. supply essential metals and minerals for the transition to a low-carbon economy;
2. reduce our own carbon footprint;
3. identify and assess physical risk exposures; and
4. partner and advocate for policies that advance climate goals

In the first half we made further progress to reduce our scope 1 and scope 2 emissions.

Let me give you an example - we closed our coal fired power plant at Kennecott, and switched our operations to renewable electricity purchased from the grid.

We are currently investing in various climate related initiatives around the group from our partnership with customers like Apple on Elysis to produce carbon free aluminum, to our partnerships with Tsinghua University, the world bank and others.

We are also working hard on our post-2020 emission reduction targets. These targets will be well thought through and you will hear more on these next year.

We are also committed to transparency. We have shown this not only in the area of taxes paid, but also in the disclosure of some contracts with governments.

We finished number two in the corporate human rights benchmark of global companies, only behind Adidas. And we are proud of our innovative partnerships.

For example, our collaboration in Western Australia to create new qualifications in automation.

We do not claim to have all the answers on sustainability. It is a complex area. We do, though, understand and mitigate against our material risks and you will see us do more in this area.

Now, over to you Jakob.

Jakob Stausholm
Thank you JS. Ladies and gentlemen, good morning.

Slide 8 - Strong financial results
As J-S has already told you, we have today disclosed a set of strong financials.

When you look at the profit and loss and cash flow statements from top to bottom, you will see that all underlying comparisons from the first half of this year to the first half of last year have improved.

Our top line has improved by 3%. However, if you exclude the coal business that we divested last year, the underlying growth is 7%.

We saw a double-digit improvement in EBITDA and we saw an even stronger improvement in cash from operations and free cash flow, due to a high cash conversion in the first half.

Following our project update on Oyu Tolgoi announced on the 16th July, we have impaired the asset value with a net income impact of $0.8 billion.

We have taken a cautious approach, which captures the average of a range of potential outcomes. This OT impairment represents the main variance between IFRS net earnings of $4.1 billion and underlying earnings of $4.9 billion. J-S will provide a further project update to you later.

Because of strong earnings and a strong cash conversion ratio of 71%, the board was able to both increase the interim dividend to $3.5 billion while we continue to strengthen our balance sheet, as demonstrated by the reduction in pro forma net debt.

Slide 9 - Growing with increasing profitability
Let me step back before diving into the details of our results. The value creation expressed in terms of profitability and growth is strong for Rio Tinto. Our profitability continues to improve and reached the highest level on recent record in the first half.

We saw our return on capital employed reach 23%, and this is based upon underlying net earnings after tax. Despite being in a very capital intensive business, our ROCE is not only the highest of our industry majors, but as J-S said, at the top end amongst industrial companies in general.

We are also a growing company. Over the last 3 and a half years, our production has grown by a CAGR of 2.5%. The first half of 2019 was affected by the weather and operational issues at the Pilbara. We expect though to return to production growth in the second half of the year, of course always driven by our "value over volume" mantra.

Slide 10 – Strong iron ore prices partly offset by challenging Aluminium and copper market conditions

China's economic growth has been strong in the first half, supported by fiscal stimulus, while the rest of the world has experienced weakening growth. In aggregate this impact on our portfolio has in fact been positive, with strong iron ore demand somewhat offset by weaker demand for aluminium and copper.

The iron ore business has faced rather unusual conditions. We saw strong growth in steel production in the first half. At the same time, we have had a very high level of iron ore supply disruptions, starting from the tragic incident in Brazil in January and carrying on with exceptional weather conditions, and we have furthermore experienced operational issues, which J-S will cover later.

As a result, the iron ore price increased significantly throughout the first half. Aluminium demand growth moderated to only around one percent, impacted by, in particular - the transportation sector.

On supply, as we anticipated, restructuring in the Chinese aluminium industry has been modest to date. And in January, we saw the sanctions on Rusal lifted, meaning that more supply came to market. As a result, there was a declining price during the first half, compared to both the first and second half of 2018. The midwest premium, though, has stayed stable to the tune of $400 per tonne.

Moving to copper, the slowing world economy has impacted market sentiment and demand growth. Combined with limited disruption in supply, this has resulted in an 11% deterioration in the copper price compared to the same period last year.

Slide 11 - Strong EBITDA driven by price

Our underlying EBITDA in the first half of 2018 was $8.6 billion when you exclude the coal business. Higher prices were driven by iron ore and favourable exchange rates, particularly by the weaker Australian dollar.

Overall, the lower EBITDA compared with the flexed EBITDA for the same period last year is almost entirely due to weather disruptions in the first quarter.

Slide 12 - Productivity programme challenged by Iron Ore disruptions
When we last presented to you, we set out a target for this year to reach a run-rate productivity improvement of $1 billion. Given the revised production guidance in iron ore, that will not be achieved.

The weather in the Pilbara removed around $200 million from our productivity initiative.

And, as a result, we have seen the run-rate reduce from $0.4 billion at the year end to $0.2 billion in the first half of 2019. However, more importantly, the planned improvements in productivity, primarily in iron ore, was not achieved, and hence we are updating the full year guidance.

As a group, we are though confident that we will improve from here in the second half of the year. Our updated target run-rate is $0.5 billion for 2019.

We recognise the operational issues we have experienced in the Pilbara and are addressing them with rigour as J-S with explain shortly.

However, looking forward, we anticipate generating between $1 billion and $1.5 billion of annual additional free cash flow by 2021. This new range is subject to an increase in iron ore volumes, which will be dictated by market conditions, and a reversal in raw material costs primarily in our aluminium business.

Slide 13 - Iron Ore
Now, let me move to the results of each of the product groups. As previously mentioned, we've seen a significant hike in the price of iron ore. This has progressively developed throughout the half year.

On average, the improvement in the realised price was 35%, whereas prices towards the end of the period are materially higher.

Shipments in the first half fell short of our expectations. We had expected higher shipments compared to the previous year and instead we saw an 8% fall.

The shortfall against last year can be explained by weather impacts, a fire at Cape Lambert A and the operational issues which J-S will cover later.

The overall operating costs measured in USD is at the same level as last year. Hence the lower volumes entirely drives the 9% increase in unit costs.

As a result of the lower production guidance, and additional total material moved, we have also updated our operating cost guidance from $13-14 per tonne to $14-15 per tonne.

The financial metrics are very strong and we saw improvements in revenue, EBITDA, and cash flow. And, it's important to note we have increased our investments in sustaining capex to improve the future reliability of our world-class assets.

Slide 14 - Aluminium
Our integrated Aluminium business has faced a challenging price environment that kicked-in, in the second half of last year, and has further deteriorated in the first half of this year.

You'll see the achieved aluminium price is down 15% and the alumina price is down 17%. We saw a slight increase in bauxite production as the Amrun ramp-up exceeded the negative weather impact.

Our integrated Aluminium business is – like the rest of the industry – experiencing a tough environment.

Our financial metrics demonstrate this difficult environment, and we ended up with a return on capital employed of only 4% in the first half.

Fortunately, we are well placed to weather the storm. We have the highest margin in the industry and it looks like we have only extended that position in the first half of this year.

We also try to take advantage of this by doing everything we can to improve efficiency and reduce costs. You'll see that our unit costs have gone down by 5% and we had a 1% production creep in the first half.

Nonetheless, profitability is not at the level where we want it to be and hence we are therefore also very disciplined in our usage of capital, protecting the free cash flow.

Slide 15 - Copper and Diamonds
Copper and Diamonds, as a product group, faced lower prices in the first half but demonstrated stable performance against a strong prior year.

The continued productivity improvements at Kennecott were a particular highlight. We saw a significant reduction in unit costs, mainly due to higher production of by-products, which we do not expect will continue into the second half.

Copper production was down 5% and at the lower end of our guidance. This was due to lower grades from where we are currently mining in the pit, rather than a performance issue.

Overall, the financial metrics are fairly stable. It was a good first half last year and a good first half this year. We see stable margins and small variances in the financial statements.

Return on capital employed of 6% includes significant development capex of not-yet-producing assets and significant expensed costs for developing our growth options of Resolution and Winu.

Slide 16 - Energy and Minerals

Finally, Energy and Minerals experienced a strong recovery after a year of disruptions in 2018. Production is up significantly. At RTIT, two rebuilt furnaces were restarted in the first half.

The third will start in the second half of this year. Also, IOC was impacted last year by a strike. The financial metrics have improved significantly with revenue up by a third and EBITDA more than doubled. Energy and Minerals obviously benefited from the high prices enjoyed for iron ore pellets and also higher titanium prices.

Return on capital employed continued to improve, ending at 15% for the first half.

Overall, it's a profitable and highly-cash generative business. We continue to explore opportunities to further grow our business.

In the first half we approved half a billion dollars for further investments in the Zulti South project in South Africa.

Slide 17 - Disciplined investment of capital

During the first half of the year, we have continued with a disciplined approach to capital investment.

In total, we have invested $2.4 billion, similar to what we invested in the first half of last year.

What you'll see though is that we have invested more in sustaining capex so we are taking best possible care of our assets and ensuring the future sustainability and reliability of our operations.

Investment in growth projects was somewhat lower than anticipated, mainly because of completion of Amrun and less ramping up of spending in Oyo Tolgoi than expected.

Overall, the picture remains the same. We are in a phase of ramping up our investments from $5.4 billion last year and expect around $6 billion this year and around $6.5 billion next year.

We know we are going to spend the money but there will always be some uncertainty over the exact phasing and some of this year's investment may tick over into next year.

Slide 18 - A strong balance sheet
The strong cash generation and disciplined approach to capital means we are able to further strengthen our strong balance sheet.

Adjusting our reported net debt for future commitments regarding share buy backs, the return of disposal proceeds and tax lags, combined with the new IFRS 16 changes, shows a very consistent pattern of deleverage, taking the pro forma net debt from $8 billion at the beginning of the year to $5.6 billion at the end of June.

We are very comfortable with this level of net debt, it provides optionality and the ability to provide superior cash returns to our shareholders.

Slide 19 - Superior returns
As previously announced, we have paid out $7.8 billion in the first half.

On top of this, we have $0.7 billion of our share buyback program still to be completed between now and the end of February 2020.

Today, based on our first half results, we approved an interim dividend of $2.5 billion dollars, which again represents 50% of our underlying earnings.

We also approved a special dividend of $1 billion dollars. That brings the overall pay-out ratio to 70% and takes our total cash return paid in 2019 to approximately $12 billion.

Slide 20 – Strong financial results
In summary, we have today disclosed a set of strong financial results.

We are a very profitable company and our profitability is increasing. this enables us to make significant investment in further improving our world class assets and pay superior returns to our shareholders.

However, we fully acknowledge we have had operational issues in the first half and we are working hard to address those.

Before closing, I am delighted to announce that we will be hosting a capital markets day here in London on October 31. I look forward to seeing as many of you as possible on that day.

On that note, let me hand it over to J-S thank you.

J-S Jacques

SLIDE 22 – Stable Chinese indicators

Thanks Jakob.

Let's now focus on the macro outlook and the fundamentals of our industry.

Overall, they remain positive. There are two key drivers for the mining industry, GDP growth and trade.

On the first, economic growth is relatively stable. Consumer confidence is still at record highs, the US economy is holding up well, but we do see trade tensions starting to weigh on industrial indicators.

In China, our main market, as expected growth is slowing but was still strong at 6.3% in the first six months of 2019.

This year I have spent a lot of time in China, on one of my visits I attended the CEO council of global business leaders, where we heard directly from the Chinese premier that the government is focused on targeted stimulus measures to support domestic growth.

And we see evidence that these policy shifts are working. For example, regional light rail projects, urban renewal programmes and increased infrastructure investment are ramping up.

On the second driver, trade, volatility and risk remain, and while we see this reflected in sentiment, we have not yet seen total volumes of global trade meaningfully impacted

This is why I remain the optimist in the room and I am still hopeful that common sense will prevail.

Of course, the real question is what do these macro conditions mean for those of us in the commodity business?

Let me share some thoughts on iron ore, aluminium and copper.

Slide 23 – Robust iron ore and steel fundamentals

We continue to see a positive outlook for iron ore on the back of strong demand and supply disruptions globally.

There have been record levels of steel production in China, at a run rate above one billion tonnes per annum over the past few months.

Stimulus measures have encouraged property and infrastructure investment, which has largely flowed through into consumption.

At the same time, supply has been weak. 2018 was the first year this century that we saw no growth in iron ore seaborne supply - it remained almost flat at ~1.6 bt. The industry has experienced a material level of disruption, equating to around 100mt for the full year in 2019 compared to 40mt in 2018.

There are multiple reasons, including: the tragic events in Brazil, operational and weather issues in Australia, and significant weather impacts in northern Brazil.

These combined factors have seen a lowering of port stocks in China, with around 26mt drawn down in the first half.

As we have been saying for some time, the opportunity for supply side response from Chinese domestic mines is less now than in the past - driven by several factors including permitting environmental regulations driving transition to underground mining and small artisanal miners having stopped producing some time ago.

So, all-in-all we see the outlook for iron ore remaining positive.

Slide 24 – Delivery quality through system blending

As we are on the topic of iron ore let me share what we are doing to fully optimise our Pilbara system to maintain product quality, and the reliability of our supply chain, particularly the Pilbara Blend, our flagship iron ore product in China.

The value of the Pilbara Blend for our customers is clear. Its very consistent chemistry provides the baseload of burden management in their blast furnaces and sinter plants.

This is reflected in the price it commands. This blend combines ore from a network of mines including Tom Price, Hope Downs, West Angelas, the Brockman hub, and from 2021, Koodaideri will be a major contributor.

Of course, the Pilbara Blend is not our only product. And overall our iron ore system comprises: four ports, 16 mines, 1700 kilometers of rail, and around 400 trucks of which about 150 are autonomous.

As you would expect, the focus for us is to run the system first and foremost safely, and then to maximise profitability by providing the quality product our customers want - but not at the expense of short, medium and long-term sustainability.

<u>Slide 25 - Improving iron ore system performance</u>
Let me first talk about the mines and then the rail.

We have been ramping up all parts of the Pilbara system for several years, including port and rail. In the context where we deferred capital on Silvergrass and Koodaideri for a number of years.

It was the right decision to preserve capital, but it did require us to run our existing mines harder. As we disclosed in June, we are experiencing operational issues, particularly at our Greater Brockman hub.

We have fallen behind in mine development and waste movement.

This resulted in us producing a higher proportion of lower grade ore, and restricted our ability to access the right ore at the right time to produce the Pilbara Blend.

This is a sequencing issue that happened for several reasons, including a challenging transition to autonomous trucks at Brockman 4, and, more broadly, some pockets of inadequate equipment and workforce retention.

None of this is acceptable. Full stop.

So, we made two major decisions to protect our Pilbara Blend.

One: we have reduced planned production in 2019 and changed our production guidance to between 320 million tonnes and 330 million tonnes.

Two: we are increasing our planned total material movement across the Pilbara mines by a few percentage points.

To do this we have brought in extra equipment and contractors. We will spend around $80 million in 2019 on this activity. The work is well underway and further investment will be required in 2020 to increase the resilience of the system. We will not stop until we have fully optimised our system.

As you know our other main focus in the Pilbara is rail. It is worth remembering that our 1700 km rail system in the Pilbara is one of the most utilised heavy-haul rail networks in the world.

To further optimise our Pilbara system, we continue to invest in the maintenance of the rail network to ensure reliability and sustainability of this critical asset.

This includes a major shut towards the end of Q3, which we advised you of last month. This will be an ongoing feature of our rail maintenance program.

In this context, subject to market conditions, we will continue to optimise our business from here with three principles in mind: the quality of our product and relationship with our customers, EBITDA margins, and strengthen the health of our asset base, underpinned by the right level of cost and sustaining capex.

We will provide iron ore 2020 guidance at our capital markets day in Q4.

Slide 26 - Longer-term fundamentals
There is no doubt that the current aluminium market is challenging, with three key factors weighing on the market right now:

1. Rusal inventories, built during the US sanctions, are still flowing into the market
2. the global auto sector is currently at a cyclical low and
3. slow restructuring in China

However, stocks continue to decline. As we look ahead, the long-run fundamentals for aluminum remain positive, with demand driven by a return to trend growth on automotive, light weighting and electrification, and on the supply side, governed by restructuring in China - as well as market forces.

On Dr Copper, macro conditions and market sentiment continue to impact the price, as demonstrated by investment flows into copper futures.

On the physical side - despite low mine disruptions in the first half of around 3%, compared with the recent historical average of just over 5%, we expect mine supply to contract by around 1% in 2019.

And we expect the market will remain relatively balanced in the short to medium term.

Longer term, copper fundamentals remain strong - driven by the adoption of electric vehicles, the electrification of industry, and a growing share of renewables in the energy mix.

On the supply side, ongoing resource depletion will require considerable investment in new and replacement supply in the long run.

Slide 27 - Our growth pipeline
Moving to growth.

We have a strong pipeline of future growth options – in iron ore, in copper, and in minerals, to name but a few.

Starting with iron ore.

We are investing in new projects in the Pilbara - including: Koodaideri, our most technologically advanced mine to date; and robe river sustaining mines.

At Koodaideri, engineering and construction is progressing to plan. and we are starting a study on Koodaideri Phase 2.

At the Robe River Joint Venture, we have West Angelas and Mesas B, C and H sustaining projects underway.

All are progressing well except at Mesa H, where there are some delays with environmental approvals.

We are working with both the state and federal governments to resolve this.

Of course, our investments are not limited to iron ore. In the first half, we also approved an investment in Zulti South at RBM. The project offers an attractive return, with an IRR of 24%, and is expected to come into production in late 2021.

This investment of $463 million (Rio share $343 million) will be fully self-funded from RBM's cash flows.

We are working on the framework agreement with the provincial government and communities and have all the permitting and approvals to proceed.

We expect to start investment in the project in the coming weeks.

On the copper side, our project in the US, Resolution, is progressing well and we expect the environment impact assessment to be finalised in the coming weeks.

And, of course, we are also progressing our copper project, Winu in Western Australia, which I will touch on shortly.

Now, let me give you an update on our Oyu Tolgoi mine in Mongolia.

Slide – 28 Critical infrastructure progress at Oyu Tolgoi
Oyu Tolgoi is one of the best undeveloped copper resources in the world and has been in operation since 2013.

It is one of our safest and most productive mines. The underground project is where the bulk of the value lies. It is also one of the most technically complex underground mine constructions in the world in one of the most remote locations.

The project has three main components: the above ground infrastructure, the shafts and below ground infrastructure, and mine development.

As you can see, substantial progress has been made in all three areas over the last 3 years.

We have installed most of the above ground infrastructure - the control center, the overland conveyor, a 5,500 person camp and the batch plant.

And we are well underway with the large equipment underground, such as the production and ventilation shafts, the large jaw crusher and facilities for our workforce.

Slide 29 - Schedule and cost ranges
We have also done a significant amount of underground mine development.

As we have progressed, we have experienced tougher than expected geotech conditions which are impacting on a number of fronts and have resulted in:
slower than expected mine footprint advancement, slower conveyor to surface progression and growth in the overall quantum of work.

As we drilled underground, we identified weaker rock in the western side of panel zero which could cause stability issues and has meant we need to consider mine design options as we progress.

The schedule and cost ranges we have disclosed to develop the underground project are driven by four key factors:
1. mid access drive requirement and location
2. lateral development productivity
3. location of ore handling facilities, and
4. panel boundary transitions

It's also important to note that none of the options under consideration would impact the existing underground infrastructure

This is all about what is ahead of us. The team is doing the work to define the best way forward and to minimise the impact.

This mine design work will continue to early next year and the definitive estimate will be completed in the second half of 2020.

We have significant experience in block caving within the group and we are working with the best people in the industry on a productivity improvement programme, with the aim to accelerate delivery of sustainable production.

We are also looking at ways to improve the assumptions made and to optimise the scope of the work.

Above all, the key considerations are: safety, followed by value and sustainability.
We continue to believe OT is a highly attractive and valuable resource.

While the underground is a technically challenging project, unlocking the value of this

Tier 1 resource will underpin our copper business for decades to come, and we are totally focused on doing that.

We need to get this right and we are working with all of OT's shareholders to find the best way forward.

Moving on to Winu.

Slide 30 - Winu drilling continues at pace

As we announced earlier in the year, an intensive drilling programme is underway.

Results are encouraging, with data now in from a further 42 drill holes,

They show wide intersections of mineralisation close to the surface.

The preliminary studies have begun, including environmental base line studies, geotech and metallurgical test work.

And we are progressing quickly with around 200 people and 11 drill rigs on site. Work will continue throughout 2019, and we will then be in a position to provide a further update.

Winu is a great example of the value of our exploration programme. We have invested $138m in the first half on eight commodities in eighteen countries.

Slide 31 - Strong base for future growth and profitability

In summary, once again we have delivered a strong financial performance. Our EBITDA margin and ROCE was the best in the last 10 years. Our cash performance and conversion was strong. Our balance sheet is strong. We have world class assets, but we have room for improvement.

We have the right plan to address the challenges we face, and our priorities are clear.

We will:

- keep the focus on safety
- drive EBITDA margin and free cash flow;
- protect the quality of our products and strengthen the relationship with our customers;
- focus on our performance in the Pilbara;

and

- deliver our growth plans, including progressing work on Oyu Tolgoi

We will do this while maintaining our capital allocation discipline and balance sheet strength. Our consistent track record over the last three and a half years speaks for itself, with $32 billion returned to shareholders. including $12 billion to be paid in 2019.

For us, it is about creating superior returns for our shareholders in the short, medium and long term.

And now to questions.