

Rio Tinto launches new debt reduction programme for up to \$3 billion

26 September 2016

Rio Tinto is again taking advantage of its strong liquidity position to further reduce gross debt, today launching a bond purchase plan for up to \$3 billion.

Under the plan, Rio Tinto has issued a redemption notice for approximately \$1.5 billion of its 2017 and 2018 US dollar-denominated notes and commenced cash tender offers to purchase up to approximately \$1.5 billion of its 2019, 2020, 2021 and 2022 US dollar-denominated notes.

Today's announcement is part of the Rio Tinto Group's ongoing capital management and follows the successful completion of \$4.5 billion cash tender offers earlier this year. In April, Rio Tinto launched a programme to purchase \$1.5 billion of its 2017 and 2018 notes and in June it announced plans to purchase \$3 billion of its 2018, 2020, 2021 and 2022 notes. Both offers were successfully completed. In June, \$1.5 billion of notes also matured and were repaid with cash.

1. Redemption of Bonds

Today, Rio Tinto issued a notice of redemption for all of its 2.000 per cent notes due 22 March 2017, 1.625 per cent notes due 21 August 2017 and 2.250 per cent notes due 14 December 2018 issued by Rio Tinto Finance (USA) plc and for all of its 6.500 per cent notes due 15 July 2018 issued by Rio Tinto Finance (USA) Limited. These notes are guaranteed by Rio Tinto plc and Rio Tinto Limited and approximately \$1.5 billion in aggregate principal amount is outstanding. The redemption date is 26 October 2016. For additional information, note holders may call the trustee and paying agent, The Bank of New York Mellon, at +1-212 815-5811.

2. Cash Tender Offers

Rio Tinto Finance (USA) plc and Rio Tinto Finance (USA) Limited (each a "**Company**" and together, the "**Companies**") are making cash tender offers to purchase up to approximately \$1.5 billion of the outstanding securities listed in the table below (the "**Securities**"), each guaranteed by Rio Tinto plc and Rio Tinto Limited (the "**Securities**"). The terms and conditions of the offers are described in the offer to purchase (the "**Offer to Purchase**"), dated as of today. Capitalized terms not otherwise defined in this announcement have the same meaning as assigned to them in the Offer to Purchase.

Title of Security	Issuer and Offeror	CUSIP/ISIN	Acceptance Priority Level	Outstanding Principal Amount	Early Tender Payment ⁽¹⁾	Fixed Spread (bps)	Reference U.S. Treasury Security	Bloomberg Reference Page
3.500% Notes due 2022	Rio Tinto Finance (USA) plc	76720AAC0/ US76720AAC09	1 ⁽²⁾	U.S.\$988,472,000	\$30	65	1.125% U.S. Treasury Notes due August 31, 2021	PX1
2.875% Notes due 2022	Rio Tinto Finance (USA) plc	76720AAF3/ US76720AAF30	1 ⁽²⁾	U.S.\$985,449,000	\$30	70	1.125% U.S. Treasury Notes due August 31, 2021	PX1
9.000% Notes due 2019	Rio Tinto Finance (USA) Limited	767201AH9/ US767201AH93	2	U.S.\$1,500,000,000	\$30	65	0.875% U.S. Treasury Notes due September 15, 2019	PX1
3.500% Notes due 2020	Rio Tinto Finance (USA) Limited	767201AK2/ US767201AK23	2	U.S.\$512,389,000	\$30	53	1.125% U.S. Treasury Notes due August 31, 2021	PX1
4.125% Notes due 2021	Rio Tinto Finance (USA) Limited	767201AN6/ US767201AN61	2	U.S.\$662,122,000	\$30	65	1.125% U.S. Treasury Notes due August 31, 2021	PX1
3.750% Notes due 2021	Rio Tinto Finance (USA) Limited	767201AQ9/ US767201AQ92	2	U.S.\$749,211,000	\$30	70	1.125% U.S. Treasury Notes due August 31, 2021	PX1

Note:

(1) Per \$1,000 principal amount of Securities accepted for purchase.

(2) The Offers in respect of the Priority 1 Securities as per the table above are subject to an aggregate Priority 1 Maximum Tender Amount of US\$1,000,000,000

The offer for the Securities (the “Offer”) will expire at 11:59pm, New York City time on 24 October 2016, unless extended (the “Expiration Date”). However, in order to receive the Total Consideration (as defined below), which includes the \$30 early tender payment referred to below, holders must tender by 5pm, New York City time on 7 October 2016 (the “Early Tender Deadline”).

The consideration (“Total Consideration”) for the Securities validly tendered and not validly withdrawn at or prior to the Early Tender Deadline and accepted for purchase by the relevant Company will be determined by the Dealer Managers based on a spread over the reference US Treasury Security, as set forth in the table above, in accordance with standard market practice as of 11am, New York City time, on 11 October 2016.

The consideration for each \$1,000 principal amount of each series of Securities validly tendered after the Early Tender Deadline but at or prior to the Expiration Date and accepted for purchase by the relevant Company is equal to the Total Consideration for such series minus \$30.

Holders will also receive Accrued Interest on the relevant settlement date for the Offer.

The amount of each series of Securities that is purchased will be subject to the Aggregate Maximum Tender Amount of U.S.\$1,497,535,000, the Priority 1 Maximum Tender Amount of \$1,000,000,000 in respect of the Priority 1 Securities and the order of priority for such series as set forth in the table above, provided that any Securities tendered at or prior to the Early Tender Deadline will be accepted for purchase in priority to any Securities tendered after the Early Tender Deadline, even if such Securities tendered following the Early Tender Deadline have a higher Acceptance Priority Level than Securities tendered on or prior to the Early Tender Deadline. If the Offer is oversubscribed, then the Securities will be subject to proration as described in the Offer to Purchase.

The Companies may elect after the Early Tender Deadline and at or prior to the Expiration Date to accept the Securities validly tendered at or prior to the Early Tender Deadline. If the Companies exercise this right, the Securities tendered prior to the Early Tender Deadline will be settled promptly thereafter, expected to be on or about 12 October 2016. If this right is not exercised, the Offer will be settled promptly after the Expiration Date, expected to be on or about 25 October 2016.

Offers

The offers are subject to the satisfaction of certain conditions set forth in the Offer to Purchase. If any of the conditions are not satisfied or waived by the Companies, the Companies will not be obligated to accept for purchase, purchase or pay for validly tendered Securities, in each case subject to applicable laws, and may terminate the offers. The offers are not conditioned on the tender of a minimum principal amount of Securities.

Following consummation of the offers, the Securities that are purchased in the offers will be retired and cancelled and no longer remain outstanding.

The above dates and times are subject, where applicable, to the right of the Companies to extend, re-open, amend, and/or terminate the offers, subject to applicable laws. Holders of Securities are advised to check with any bank, securities broker or other intermediary through which they hold Securities when such intermediary would require to receive instructions to participate in, or withdraw their instruction to participate in, the offers before the deadlines set out above.

Holders of Securities are advised to read carefully the Offer to Purchase for full details of and information on the procedures for participating in the offers. Holders of Securities may access the Offer to Purchase at <http://www.gbsc-usa.com/RioTinto>.

The Lead Dealer Managers for the offers are BNP Paribas Securities Corp., Credit Agricole Securities (USA) Inc. and Credit Suisse Securities (USA) LLC. The Co-Dealer Managers are Bank of China Limited London Branch and UniCredit Bank AG.



Questions regarding the offers may be directed to:

BNP Paribas Securities Corp.

Toll Free: +1 888-210-4358

Collect: +1 212-841-3059

London: +44 (0) 20 7595 8668

Credit Agricole Securities (USA) Inc.

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Credit Suisse Securities (USA) LLC

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Copies of the Offer to Purchase may be obtained from the Depositary and Information Agent, Global Bondholder Services Corporation at +1 (866) 807 2200 (toll-free) or +1 (212) 430 3774 (collect) or in writing at 65 Broadway, Suite 404, New York, New York 10006.

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United Kingdom

The communication of this announcement, the Offer to Purchase and any other documents or materials relating to the Offers is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of Section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom, and are only for circulation to persons to whom they can lawfully be circulated outside the United Kingdom or to persons within the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Order), or within Article 43(2) of the Order, or within Article 49(2)(a) to (d) of the Order, or to other persons to whom it may lawfully be communicated in accordance with the Order (such persons together being the “Relevant Persons”). This announcement, the Offer to Purchase and any other documents or materials relating to the Offers are only available to Relevant Persons and the transactions contemplated herein will be available only to, and engaged in only with, Relevant Persons, and this Offer to Purchase must not be relied or acted upon by persons other than Relevant Persons.

Belgium

None of this announcement, the Offer to Purchase nor any other documents or materials relating to the Offers in respect of each Series of Securities have been submitted to or will be submitted for approval or recognition to the Financial Services and Markets Authority (“Autoriteit des services et marches financiers/Autoriteit financiële diensten en markten”) and, accordingly, the Offers may not be made in Belgium by way of a public offering, as defined in Articles 3 and 6 of the Belgian Law of 1 April 2007 on public takeover bids (the “Belgian Takeover Law”) as amended or replaced from time to time. Accordingly, the Offers may not be advertised and the Offers will not be extended, and none of this announcement, the Offer to Purchase nor any other documents or materials relating to the Offers (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than (i) to “qualified investors” in the sense of Article 10 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets, acting on their own account or (ii) in any circumstances set out in Article 6, § 4 of the Belgian Takeover Law. This announcement and the Offer to Purchase have been issued only for the personal use of the above qualified investors and

exclusively for the purpose of the Offers. Accordingly, the information contained in this announcement and the Offer to Purchase may not be used for any other purposes or disclosed to any other person in Belgium.

France

The Offers are not being made, directly or indirectly, to the public in France. None of this announcement, the Offer to Purchase nor any other documents or offering materials relating to the Offers in respect of each Series of Securities have been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French Code monétaire et financier, are eligible to participate in the Offers. Neither this announcement nor the Offer to Purchase has been submitted to the clearance procedures (*visa*) of the Autorité des marchés financiers.

Italy

None of this announcement, the Offer to Purchase nor any other documents or materials relating to the Offers have been or will be submitted to the clearance procedure of the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") pursuant to Italian laws and regulations.

The Offers are being carried out in the Republic of Italy as exempted offers pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the "**Issuers' Regulation**"). The Offers are also being carried out in compliance with article 35-bis, paragraph 7 of the Issuers' Regulation.

A holder of Securities located in the Republic of Italy can tender Securities through authorized persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Securities or the Offers.

General

Neither this announcement nor the Offer to Purchase constitutes an offer to buy or a solicitation of an offer to sell Securities, and tenders of Securities in the Offers will not be accepted from Holders, in any jurisdiction in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require an Offer to be made by a licensed broker or dealer and a Dealer Manager or its affiliate is such a licensed broker or dealer in such jurisdictions, the Offer shall be deemed to be made on behalf of the relevant Company by such Dealer Manager or such affiliate, as the case may be, and no Offer is made in any such jurisdiction where the relevant Dealer Manager or its affiliate is not so licensed.