

Rio Tinto to reduce gross debt by \$1.5 billion through September cash tender offers

10 October 2016

Rio Tinto will reduce its gross debt by \$1.5 billion under cash tender offers announced on 26 September 2016.

As part of Rio Tinto's ongoing capital management plan, Rio Tinto Finance (USA) plc and Rio Tinto Finance (USA) Limited (each a "**Company**" and together, the "**Companies**") have made cash tender offers (the "**Offer**") to purchase up to approximately \$1.5 billion of the outstanding securities listed in the table below (the "**Securities**").

The Offer, which commenced on 26 September 2016 and will expire on 24 October 2016, was oversubscribed at 5pm, New York City time, on 7 October 2016 and therefore approximately \$1.5 billion of Securities will be purchased. No Securities tendered after the above time will be accepted.

The following Securities will be purchased pursuant to the Offer:

Title of Security	Issuer and Offeror	CUSIP/ISIN	Acceptance Priority Level	Principal Amount to be Repurchased
3.500% Notes due 2022	Rio Tinto Finance (USA) plc	76720AAC0/ US76720AAC09	1 ⁽¹⁾	\$528,196,000
2.875% Notes due 2022	Rio Tinto Finance (USA) plc	76720AAF3/ US76720AAF30	1 ⁽¹⁾	\$471,807,000
9.000% Notes due 2019	Rio Tinto Finance (USA) Limited	767201AH9/ US767201AH93	2	\$245,694,000
3.500% Notes due 2020	Rio Tinto Finance (USA) Limited	767201AK2/ US767201AK23	2	\$47,513,000
4.125% Notes due 2021	Rio Tinto Finance (USA) Limited	767201AN6/ US767201AN61	2	\$82,143,000
3.750% Notes due 2021	Rio Tinto Finance (USA) Limited	767201AQ9/ US767201AQ92	2	\$122,182,000
			Total	\$1,497,535,000

Note:

- (1) The Companies have revised the Priority 1 Maximum Tender Amount from US\$1,000,000,000 announced on 26 September 2016 to US\$1,000,003,000. The Offer in respect of the Priority 1 Securities as per the table above is therefore subject to an aggregate Priority 1 Maximum Tender Amount of US\$1,000,003,000

The Securities purchased will be retired and cancelled and no longer remain outstanding.



Approximately \$1.1 billion of Securities with Acceptance Priority Level 1 were validly tendered and not validly withdrawn at or prior to the Early Tender Deadline. Therefore, subject to the terms of the Offer, such Securities have been prorated using a proration factor of approximately 87.3 per cent. Subject to the terms of the Offer, the Securities with Acceptance Priority Level 2 validly tendered and not validly withdrawn at or prior to the Early Tender Deadline have been prorated using a proration factor of approximately 60.4 per cent.

All Securities not accepted as a result of proration have been rejected from the Offer. No Securities tendered after the Early Tender Deadline have been or will be accepted for purchase.

The Reference Yield and the Total Consideration for each series of the Securities will be determined on 11 October 2016 at 11am, New York City time, using the methodology described in the Offer to Purchase. The settlement date for the Securities to be purchased is expected to be 12 October 2016.

As announced on 26 September, Rio Tinto has also issued a redemption notice for approximately \$1.5 billion of its 2017 and 2018 US dollar-denominated notes. The redemption date is 26 October 2016. The redemption along with the Offer will bring the total amount of notes purchased in October 2016 to \$3.0 billion.

Capitalised terms in this announcement have the same meaning as assigned to them in the Offer to Purchase dated 26 September 2016.

The Lead Dealer Managers for the Offer 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 Offer 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.

Toll Free: +1 866-807-6030

Collect: +1 212-261-7802

London: +44 (0) 207 214 5482

Credit Suisse Securities (USA) LLC

Toll Free: +1 800-820-1653

Collect: +1 212-538-2147

London: +44 (0) 20 7883 8763

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.

RioTinto

Contacts

media.enquiries@riotinto.com

www.riotinto.com



Follow @RioTinto on Twitter

Media Relations, EMEA/Americas

Illtud Harri

T +44 20 7781 1152

M +44 7920 503 600

David Outhwaite

T +44 20 7781 1623

M +44 7787 597 493

David Luff

T +44 20 7781 1177

M +44 7780 226 422

Investor Relations, EMEA/Americas

John Smelt

T +44 20 7781 1654

M +44 7879 642 675

David Ovington

T +44 20 7781 2051

M +44 7920 010 978

Media Relations, Australia/Asia

Ben Mitchell

T +61 3 9283 3620

M +61 419 850 212

Bruce Tobin

T +61 3 9283 3612

M +61 419 103 454

Matthew Klar

T +61 7 3625 4244

M +61 457 525 578

Investor Relations, Australia/Asia

Natalie Worley

T +61 3 9283 3063

M +61 409 210 462

Rachel Storrs

T +61 3 9283 3628

M +61 417 401 018

Rio Tinto plc

6 St James's Square
London SW1Y 4AD
United Kingdom

T +44 20 7781 2000

Registered in England

No. 719885

Rio Tinto Limited

120 Collins Street
Melbourne 3000
Australia

T +61 3 9283 3333

Registered in Australia

ABN 96 004 458 404



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Belgium

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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

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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.