**Check against delivery**

Good morning ladies and gentlemen.

It is my great pleasure to welcome you to Rio Tinto’s 2016 annual general meeting.

Thank you for joining us today.

I also want to welcome those shareholders joining us online via the webcast.

I am pleased to report that during 2015 your company continued to deliver shareholder returns, notwithstanding a backdrop of exceptional and ongoing macro-economic volatility.

Despite the challenging times and the pressures exerted across the sector, we stayed true to our values, and also continued to deliver tangible social and economic benefits to the communities and governments that host our operations around the world.

Before I share with you more detail on your company’s performance and some reflections on 2015, let me start with safety.

As you know, safety is of paramount importance to Rio Tinto.

At each and every one of our operations globally, for every employee, the daily shift starts with a safety briefing.

In keeping with this practice, please offer your full attention to a short safety briefing.

(QE II CENTRE SAFETY ANNOUNCEMENT)

Thank you for your attention to that announcement.

All your directors are present at today’s meeting, either in person or via video link.

May I extend a warm welcome to Michael L’Estrange and Megan Clark who are joining us today from Melbourne, Australia.

I also want to welcome, for the first time, our deputy chief executive Jean-Sébastien Jacques who joined the board on 17 March 2016.

As I am sure you all know, we recently announced that J-S will be succeeding Sam Walsh as chief executive on Sam’s retirement in early July.

I will say more about this later in the meeting.

At the conclusion of the Australian AGM in Brisbane next month, Richard Goodmanson will retire after 11 years of service on the board.
Richard has been an outstanding director and I should like to take this opportunity to thank him for his unwavering professionalism and commitment, and for the inspiring leadership that he has provided as chairman of the Sustainability Committee.

Megan Clark, who joined the board in 2014, will replace Richard as chairman of the Sustainability Committee.

In addition to her significant mining industry experience, Megan is a former chief executive of Australia’s distinguished Commonwealth Scientific and Industrial Research Organisation, or CSIRO.

She is therefore eminently qualified to oversee the governance and risk management framework that we have in place on a range of sustainability issues – from water, to carbon and our community endeavours as well as, of course, safety.

Megan will also be succeeding Richard as a member of the Remuneration Committee.

The global macro-economic and political environment continues to provide a highly challenging backdrop against which to run a complex business such as ours.

In that regard, 2015 provided no respite.

In fact, whilst volatility has been a feature of the global economic environment in recent years, few would have predicted the extent of the deterioration we saw last year.

Over the last two years, oil prices have been in steep decline, moving from a high of more than US$115 towards US$40 a barrel and commodity prices have endured a sustained period of considerable weakness across the board.

Cheap oil presents new challenges for the world and during the year played into the ongoing instability afflicting the Middle East, Africa and elsewhere.

With Europe heavily focused on mass migration pressures and the Korean peninsula a key flashpoint in 2015, the world remains a volatile place, creating tremendous uncertainties and thus real risks for our business.

China’s transition from a high growth, primarily investment lead economy to one of more moderate growth driven by consumer demand, continues and few signs emerged during the year of an imminent turnaround in near-term growth.

These developments, together with weak global trade and inconsistent economic growth in key economies, have led to a deepening of the cyclical downturn in most commodity markets, leaving some prices 80 per cent lower than their peak.

As I noted at last year’s annual general meeting, during periods of uncertainty investors seek out strength and reliability.

In such challenging times it is therefore important to stay focused on the long term with a clear and consistent strategy.

We continue to abide closely by the sound strategy that has served the company well over the years – that is, investing in and operating long-life, low-cost, expandable operations in the most attractive industry sectors.
It is therefore pleasing to report that, against the very difficult economic backdrop that I have outlined, Rio Tinto last year delivered a solid financial performance.

Sam and his team delivered underlying earnings of US$4.5 billion and net cash from operating activities of US$9.4 billion.

These results were underpinned by decisive action to preserve cash through productivity improvements, further cost reductions, lower capital expenditure, value-driven divestments and the release of working capital.

These measures helped offset the significant impact of lower commodity prices.

The reported net loss of US$0.9 billion reflects non-cash exchange rate and derivative losses of US$3.3 billion and impairment charges of US$1.8 billion.

The impairments mainly relate to the Simandou iron ore project, Energy Resources of Australia and the Roughrider uranium project in Canada.

Turning to the balance sheet, I am pleased to acknowledge that Sam and Chris have significantly strengthened our position over the last three years.

Our investment grade credit rating is a rare commodity in the mining sector today.

As a result, at a time when many companies are focussed on repairing their balance sheets, your company has demonstrated it has the capacity to commit to compelling world-class growth projects whilst at the same time rewarding shareholders.

Investments such as the Amrun bauxite project in Australia and the development of the underground mine at Oyu Tolgoi in Mongolia, which will be reviewed by the board in the first half of this year, ensure that Rio Tinto continues to grow and position the company well to deliver shareholder returns through the cycle.

It is the combination of our balance sheet strength and portfolio quality that provides us with the flexibility to reward shareholders.

Reflecting the Group’s solid performance in 2015, we have honoured our promise to shareholders with a full-year dividend of 215 US cents per share, in line with our 2014 dividend.

In 2015, we returned more than US$6.1 billion to shareholders, through a combination of our dividend payments and share buy-backs.

Over the past five years we have returned more than US$25 billion – a clear and unequivocal demonstration of our commitment to returning cash to shareholders through the cycle.

However profitability across the sector, has been significantly reduced by the downturn in commodity prices and we are obviously not immune to this.

The deterioration in the pricing environment and exceptional volatility meant that it was no longer appropriate to maintain our progressive dividend policy.
Your board therefore decided earlier this year to replace the progressive dividend policy with a more flexible approach that more appropriately reflects the cyclical nature of our industry.

It should enable us to deal better with cyclical extremes and, most importantly, to reward shareholders more generously when commodity prices are high.

We entirely appreciate the impact that this will have on shareholders.

It was not an easy decision to take, but it is a thoughtful and prudent response, and in the long term interest of your business.

As we transition to this new dividend policy, we intend that the full-year dividend for this year (2016) will be not less than 110 US cents per share.

Beyond 2016, we expect total cash returns to shareholders to be in a range of 40 to 60 per cent of underlying earnings.

Over the longer term, the board is committed to maintaining an appropriate balance between cash returns to shareholders and investment in the business, with the intention of maximising shareholder value.

Rio Tinto paid its first dividend 136 years ago.

Over this period, the company has not only survived but indeed thrived through the countless ups and downs of the industry, and I have every confidence that this will continue to be the case for many years to come.

The board believes it is important that directors regularly undertake site visits to key projects and communities.

This helps us gain greater insights into the challenges on the front line of our operations, the technologies and approaches being deployed, and the management talent coming through the ranks.

During 2015, the board visited two of our world-class operations – our modernised aluminium smelter at Kitimat in British Columbia, Canada and our bauxite operations at Weipa in Queensland, Australia.

Kitimat is a wonderful example of modern technology at work – the aluminium is amongst the “greenest” in the world due to the combination of hydro power and our proprietary technology.

Weipa is an example of what can be achieved through decades of hard work to repair and strengthen indigenous and community relationships.

Transparency is key in everything we do, as we believe it helps us build trust with all of our stakeholders around the world.

This has driven our longstanding approach to be open and transparent about our taxation arrangements.

The past year has seen the public discourse again turn to international tax arrangements, in particular for multinational groups such as ours.

Your company leads the industry with our commitment to tax transparency.

This year we will disclose more information than ever before in our industry-leading Taxes paid report.
The purpose of our Taxes paid report is to enhance the visibility of the taxes we pay and the economic value we generate.

This report will now be published in June as we look to reflect a mix of mandated requirements and voluntary codes emerging in the UK and Australia.

Over the last five years, we have paid more than US$39 billion in taxes and royalties on a worldwide basis as well as more than US$8 billion of taxes on behalf of our employees.

Over this period, our global effective corporate tax rate on underlying earnings has averaged 30 per cent.

It is also clear that in other areas, society's expectations are increasing, both in terms of the transparency of our actions and the visibility of our public promises.

For example, on climate change, in Paris last year during the annual Conference of the Parties, COP21, your company signed the Pledge for Action.

Since 2008, Rio Tinto has lowered its emissions intensity by 21 per cent and we have set a new goal from the same baseline to 24 per cent by 2020.

We have reported our emissions for more than a decade and as our Sustainable development report shows, almost 80 per cent of our aluminium comes from low-carbon sources.

But we recognise there is an appetite for more public information.

With this in mind, we engaged with the “Aiming for A” coalition during 2015.

Your board supports the resolution that will be put to you later in the meeting when I will give coalition representatives the opportunity to speak to the resolution.

We regularly review and test our business against an array of economic, climate and carbon price assumptions.

Your board is confident that your company has a methodical and robust approach to assessing and managing the risks of climate change but we are open to considering new ways to further enhance what we do.

Looking ahead, the short-term picture suggests significant industry challenges remain, with ongoing volatility and an uncertain outlook in commodity markets being a fact of life.

The year ahead will again test the mettle of our industry.

However, in an industry facing significant headwinds, your company's assets and the hard work and quality of its people, continue to set it apart.

Our focus must remain on safety and on looking at smarter ways of reducing costs and protecting margins, while simultaneously also growing our business.

And even if the short term is challenging, the long term outlook for our sector remains positive.
Despite the fall in headline growth rates from double digits earlier this decade, China and Southeast Asia more broadly remain powerful economic influencers.

We are confident that the inevitable trend towards greater urbanisation across the region will increase demand for the metals and minerals we produce for many years to come.

Let me close with a few comments on Sam’s retirement.

A key role of the board is to ensure that it has the appropriate succession arrangements for its senior leadership team.

As we announced last month, Sam will be retiring from the company on 1 July.

Over a successful career that has spanned a quarter of a century with Rio Tinto, from aluminium to iron ore to chief executive, Sam has provided significant service and transformative leadership – no more so than in the past three years.

Sam took on the role of chief executive under difficult circumstances. However, as a result of his leadership, our company is now stronger, safer and more confident.

Sam, on behalf of the board as well as our shareholders, I want to thank you for your unwavering focus and commitment during your time with Rio Tinto, but in particular for what you have done as chief executive.

Together with your executive team and great people right across the organisation, you have succeeded in removing significant costs, strengthening the balance sheet and delivering on our promises to shareholders. On behalf of us all, I wish you the very best for the future.

From 2 July, we are very pleased to have Jean-Sébastien Jacques take the helm as the company’s new chief executive.

J-S’s appointment is the culmination of a comprehensive and deliberate executive succession planning process. I am confident his leadership will stand the company in good stead.

J-S’s performance as chief executive of the Copper & Coal product group has been outstanding.

And his unique blend of both strategic and operational experience, as well as his complete embrace of Rio Tinto’s culture, will provide the kind of leadership we need to continue being a trusted partner and delivering value in an economic environment that remains challenging.

Of course, he will be ably supported by Rio Tinto’s talented employees across the world.

I truly believe our people are second to none – I know they are ready for any challenge – and I would like to thank them for their tremendous dedication and commitment.

And finally, on behalf of the board I would also like to thank you, our shareholders, for your continued support.

Ladies and gentlemen, thank you for your attention, and I now have the pleasure of handing the floor over to your chief executive, Sam Walsh.
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