RIO TINTO PLC
Form 6-K
August 26, 2011
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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13A-16 OR 15D-16 OF

THE SECURITIES EXCHANGE ACT OF 1934

August 26, 2011

Commission file number: 001-10533

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Rio Tinto plc

(Translation of registrant s name into English)

Rio Tinto Limited

ABN 96 004 458 404
(Translation of registrant s name into English)

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(Address of principal executive offices)	**(Address of principal executive offices)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F x Form 40-F ¨

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THIS REPORT ON FORM 6-K SHALL BE DEEMED TO BE INCORPORATED BY REFERENCE IN THE REGISTRATION STATEMENT ON FORM F-3 (NO. 333-175037) OF RIO TINTO FINANCE (USA) LIMITED, RIO TINTO PLC AND RIO TINTO LIMITED AND THE REGISTRATION STATEMENTS ON FORM S-8 (NOS. 33-46865, 33-64380, 333-7328, 333-8270, 333-10156, 333-13988, 333-147914 AND 333-156093) OF RIO TINTO PLC AND RIO TINTO LIMITED, AND TO BE PART THEREOF FROM THE DATE ON WHICH THIS REPORT HAS BEEN DEEMED FILED TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

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Rio Tinto Group

Unaudited Condensed Interim Financial Report

Period ended June 30, 2011

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This document includes portions of the previously published results of announcement of Rio Tinto (as defined on page 3) as of, and for the six months ended June 30, 2011, announced on August 4, 2011. For more information on our use of non-GAAP financial measures in this report, see the section entitled Net earnings and underlying earnings . This document does not update or otherwise supplement the information contained in the previously published results announcement although certain information that is outdated or has been superseded has been removed, and in some cases modified, to preserve accuracy for the purposes of this filing.

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About Rio Tinto

Rio Tinto is a leading international mining group headquartered in the UK, combining Rio Tinto plc, a London and NYSE listed company, and Rio Tinto Limited, which is listed on the Australian Securities Exchange.

Rio Tinto s business is finding, mining, and processing mineral resources. Major products are aluminium, copper, diamonds, energy (coal and uranium), gold, industrial minerals (borax, titanium dioxide, salt) and iron ore. Activities span the world but are strongly represented in Australia and North America with significant businesses in South America, Asia, Europe and southern Africa.

Forward looking statements

This announcement includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding Rio Tinto s financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to Rio Tinto s products, production forecasts and reserve and resource positions), are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as anticipates , should , expects , estimates , believes , intends or similar expressions. In particular, among other statements, certain statements under the caption Chief Executive s comments and Dividends and elsewhere in this report with regard to expected levels of growth, profitability, capital expenditure, dividends, ore reserves, anticipated production, expansion or construction dates or costs, outputs and similar factors, are all forward-looking in nature

Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Rio Tinto, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Rio Tinto s present and future business strategies and the environment in which Rio Tinto will operate in the future. Among the important factors that could cause Rio Tinto s actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, levels of actual production during any period, levels of demand and market prices, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, operational problems, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as changes in taxation or regulation and such other risk factors identified in Rio Tinto s most recent Annual Report and Accounts in Australia and the United Kingdom and the most recent Annual Report on Form 20-F filed with the United States Securities and Exchange Commission (the SEC) or Form 6-Ks furnished to, or filed with, the SEC. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this announcement. Rio Tinto expressly disclaims any obligation or undertaking (except as required by applicable law, the UK Listing Rules, the Disclosure and Transparency Rules of the Financial Services Authority and the Listing Rules of the Australian Securities Exchange) to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Rio Tinto s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Nothing in this announcement should be interpreted to mean that future earnings per share of Rio Tinto plc or Rio Tinto Limited will necessarily match or exceed its historical published earnings per share.

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Chief executive s comments

Chief executive Tom Albanese said Rio Tinto s consistently high-performing operations are reflected in these latest results. We largely recovered from the severe weather conditions in the first quarter and, although volumes were lower than 2010 first half, we were able to take advantage of higher prices for our products. This performance translated into record first half underlying earnings of $7.8 billion, a 35 per cent increase on the first half of 2011.

In a period of rapid investment across the industry we are experiencing high cost inflation in certain mining hotspots. Coupled with the increasing strength of the Australian and Canadian dollars, this has put pressure on our cost base. Nevertheless, through our industry-leading investment in technology and innovation and our track record of superior operational performance, we expect to mitigate some of these cost increases.

We have some of the best quality growth projects in iron ore, copper and coking coal. These projects are on track and, as we finalise our studies for the expansion of our industry-leading Pilbara iron ore operations to 333 Mt/a, we have accelerated the timeline by six months to the first half of 2015. We have secured further growth options in new territories, notably the successful Riversdale acquisition which delivers both thermal and coking coal opportunities in Mozambique, one the world s premier coal basins. We also reached an agreement with the Government of Guinea, paving the way for first shipment of iron ore from Simandou by mid-2015.

Market expectations are for global growth of around 3.5 per cent this year and we expect Chinese GDP to expand by 9.5 per cent. We remain positive for the remainder of 2011 and into 2012, in particular given the context of the industry struggling to bring new production onstream. However there are important risks to this outlook related to the pace of credit tightening in developing countries and the threat of financial crises arising from sovereign debt problems in Europe and the United States which could destabilise commodity markets.

Looking further ahead, our view remains that our markets will continue to experience higher than average growth but they will be characterised by elevated volatility and scope for discontinuities.

The strength of our balance sheet has enabled us to continue to invest in disciplined growth from tier one projects whilst boosting returns to shareholders. We believe that our high-quality asset base and superior growth options together with our increased investment in technology and exploration, positions Rio Tinto advantageously over the longer term.

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Net earnings and underlying earnings

In order to provide additional insight into the performance of its business, Rio Tinto presents underlying earnings. The differences between underlying earnings and net earnings are set out in the following table.

Six months ended 30 June	2011 US$m	2010 US$m
Underlying earnings	**7,781**	**5,767**
Items excluded from underlying earnings		
Net impairment charges[1]	(147)	(464)
Exchange differences and gains on derivatives	63	544
Other	(110)	(2)
Net earnings	**7,587**	**5,845**

[1] *Includes impairment charges of $157 million (2010: $403 million) and profit after tax of discontinued operations of $10 million (2010: loss $61 million).*

Commentary on the Group financial results

2011 first half underlying earnings of $7,781 million and net earnings of $7,587 million were $2,014 million above and $1,742 million above the comparable measures for 2010 first half. The principal factors explaining the movements are set out in the table below.

		Underlying earnings US$m	Net earnings US$m
2010 first half		**5,767**	**5,845**
Prices	4,997		
Exchange rates	(810)		
Volumes	(444)		
General inflation	(134)		
Energy	(95)		
Other cash costs	(1,231)		
Exploration and evaluation costs (including disposals of undeveloped properties)	(399)		
Non cash/interest/tax/other	130		
Total changes in underlying earnings		2,014	2,014
Net impairment charges			317
Exchange differences and gains on derivatives			(481)
Other			(108)
2011 first half		**7,781**	**7,587**

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Prices

The effect of price movements on all major commodities in 2011 first half was to increase underlying earnings by $4,997 million compared with 2010 first half. Prices improved for nearly all of Rio Tinto s major commodities: copper prices were up 31 per cent, molybdenum prices were up 13 per cent, gold prices were up 26 per cent and aluminium prices were 20 per cent higher than 2010 first half. Demand and prices for diamonds and minerals improved significantly, reflecting strength in Asian markets.

Rio Tinto continued to price its iron ore contracts on a quarterly basis. First half iron ore prices were based on the average index from 1 September 2010 to 28 February 2011.

Demand for both thermal and coking coal was robust in 2011 first half. A short-term reduction in demand for coal in Japan was offset by growth in demand in other Asian countries. Continued growth in India, in particular, and rising coal imports by China helped to underpin increased demand for all types of coal.

Exchange rates

There was significant movement in the US dollar in 2011 first half relative to the currencies in which Rio Tinto incurs the majority of its costs. Compared with 2010 first half, on average, the US dollar weakened by 16 per cent against the Australian dollar and by five per cent against the Canadian dollar. The effect of all currency movements was to decrease underlying earnings relative to 2010 first half by $810 million.

Volumes

Lower volumes were primarily driven by lower iron ore sales, following inclement weather conditions in the first half of 2011 which restricted shipping days, and from the copper division, in line with lower copper and gold grades at Kennecott Utah Copper, Escondida and Grasberg. The overall impact of volume movements was a decrease in underlying earnings of $444 million relative to 2010 first half.

Energy, other cash costs and exploration

Higher energy costs across the Group reduced underlying earnings by $95 million compared with the first half of 2010: 2011 first half was impacted by the higher oil price but was partly offset by the return to normal hydrological conditions in the Saguenay region of Quebec. In 2010 first half the Aluminium operations in the Saguenay were impacted by low snow and rainfall leading to low power generation and the need to purchase additional power from the grid.

Higher other cash costs during 2011 first half decreased underlying earnings by $1,231 million compared with 2010 first half due to a combination of higher input prices, mining inflation and fixed production cost inefficiencies associated with lower volumes due to weather events and grade.

Inflationary pressures from higher input prices decreased earnings by $384 million across the Group, most noticeably through the impact of higher caustic, coke and pitch costs at Aluminium. Severe weather conditions hampered production across many Australian operations leading to higher costs with a negative earnings impact of $245 million, especially at Energy and Aluminium. Unit cost increases associated with lower production, notably from lower grades in the Copper group, decreased earnings by a further $67 million. Higher costs associated with a first full year of operations at new sites combined with operational readiness activities to support the growth and development pipeline increased costs by $353 million. Other production related costs increased by $182 million and this includes maintenance, additional labour resources and one-off events during the period.

In 2011 first half, evaluation work progressed at many of the Group s projects including the Resolution and La Granja copper projects and the Simandou iron ore project. Two undeveloped coal properties were divested in 2010 first half resulting in a $229 million gain on disposal. The impact from higher exploration and evaluation expenditure combined with lower gains realised from divestments was to lower underlying earnings by $399 million compared with 2010 first half.

Interest/tax/other

The effective corporate income tax rate on underlying earnings, excluding equity accounted units, was 29.6 per cent compared with 30 per cent in 2010 first half. The group interest charge was $65 million lower than in 2010 first half, mainly reflecting lower debt in 2011.

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Items excluded from underlying earnings

An impairment charge of $157 million relating to the Lynemouth smelter was recognised at 30 June 2011. Other exclusions in 2011 first half, included in operating costs, related mainly to the write-down of inventory balances at Energy Resources of Australia. Other charges excluded from underlying earnings comprise costs relating to acquisition, disposal and similar corporate projects.

In 2010 first half, an impairment charge of $403 million relating to the Alcan Engineered Products businesses was recognised. The $61 million post-tax loss on discontinued operations in 2010 first half related to the completion of the sale of the two Alcan Packaging divisions.

Cash flow

First half cash flows from operations, including dividends from equity accounted units, were $12.9 billion, 31 per cent higher than 2010 first half, primarily as a consequence of higher prices.

Purchase of property, plant and equipment and intangible assets accelerated in 2011 first half to $5.1 billion, an increase of $3.3 billion from 2010 first half. This included the expansion of the Pilbara iron ore mines and infrastructure to 283 Mt/a in Western Australia, the development of the Oyu Tolgoi copper-gold project in Mongolia, the expansion of the Yarwun alumina refinery in Queensland and the extension and expansion of the Kestrel coking coal mine. The $700 million payment to the Government of Guinea following the signing of the new agreement for the Simandou iron ore project has been recognised as capital expenditure.

In addition, during the first half of 2011 the Group took control of Riversdale Mining Limited and completed the $3.7 billion acquisition on 1 August. Rio Tinto increased its interest in Ivanhoe Mines Ltd from 40.5 per cent to 46.5 per cent and participated in Ivanhoe s rights offering for a total consideration of $1.25 billion. During the first half of 2011, the Group bought back 35 million Rio Tinto plc shares for a total cost of $2.4 billion.

Dividends paid in 2011 first half of $1.2 billion compared with $0.9 billion in 2010 first half reflecting the increase in the 2010 final dividend.

Statement of financial position

Net debt increased from $4.1 billion (restated) at 31 December 2010 to $8.6 billion at 30 June 2011 as strong operating cash inflows were offset by outflows relating to capital expenditure, the Riversdale acquisition, the increased investment in Ivanhoe, the 2010 final dividend and the share buy-back programme. Net debt to total capital (defined as total equity plus net debt) was 11 per cent at 30 June 2011 and interest cover was 35 times.

During the first half of 2011, Rio Tinto acquired 99.8% of Riversdale and has since compulsorily acquired the remaining shares. Riversdale s assets and liabilities have been recognised in the statement of financial position at fair values estimated with the assistance of an independent third party valuer, together with goodwill.

The Group has revised its definition of net debt, such that it is stated net of the impact of certain funding arrangements relating to equity accounted units (EAUs) and partially-owned subsidiaries (EAU funded balances). This modification is required in order to avoid showing liabilities twice in the net debt disclosure, where funding has been provided to an EAU by the Group and subsequently loaned by the EAU to a consolidated Group subsidiary. Comparative figures have been adjusted accordingly.

In 2011 first half, Rio Tinto issued $2 billion of fixed rate bonds, comprising $700 million of 5-year bonds at 2.5 per cent, $1 billion of 10-year bonds at 4.125 per cent and $300 million of 30-year bonds at 5.2 per cent. At 30 June 2011, 57 per cent of Rio Tinto s gross debt of $18.2 billion was at fixed interest rates.

Profit for the period

In 2011 first half, profit for the period was $8,078 million (2010 first half $6,278 million) of which $491 million (2010 first half $433 million) was attributable to non-controlling interests, leaving $7,587 million (2010 first half $5,845 million) of net earnings attributable to owners of Rio Tinto. Net earnings and underlying earnings, which are the focus of the commentary in this report, deal with amounts attributable to equity shareholders of Rio Tinto.

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Dividends

The aim of Rio Tinto s progressive dividend policy is to increase the US dollar value of ordinary dividends over time.

The interim dividend is set at one half of the total dividends declared for the previous year excluding any special dividends. Therefore, interim dividends equivalent to US 54 cents per share have been declared by Rio Tinto plc and Rio Tinto Limited, a 20 per cent increase compared to the 2010 interim dividend of US45 cents per share.

Dividends are determined in US dollars. Rio Tinto plc dividends are declared and paid in pounds sterling and Rio Tinto Limited dividends are declared and paid in Australian dollars, converted at exchange rates applicable on 2 August 2011.

The respective dividends will be paid on 8 September 2011 to holders of ordinary shares and on 9 September 2011 to ADR shareholders.

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Rio Tinto financial information by business unit

Six months ended 30 June US$m	% Interest	Gross sales revenue (a) 2011	2010	EBITDA (b) 2011	2010	Net earnings (c) 2011	2010
Iron Ore							
Hamersley	100.0	**10,046**	6,812	**7,382**	4,700	**4,915**	3,135
Robe River (d)	53.0	**2,379**	1,811	**1,852**	1,391	**981**	745
Iron Ore Company of Canada	58.7	**1,069**	1,030	**550**	562	**199**	197
Dampier Salt	68.4	**217**	199	**18**	49	**3**	19
Product group operations		**13,711**	9,852	**9,802**	6,702	**6,098**	4,096
Evaluation projects/other		**49**	47	**(148)**	15	**(146)**	12
		13,760	9,899	**9,654**	6,717	**5,952**	4,108
Aluminium (e)							
Bauxite & Alumina		**1,881**	1,509	**207**	117	**(30)**	(79)
Primary Metal		**5,872**	5,092	**1,200**	1,098	**380**	399
Other integrated operations		**21**	26	**(97)**	38	**(53)**	(20)
Upstream intersegment		**(1,475)**	(1,158)	**14**	(17)	**(10)**	(4)
Integrated operations		**6,299**	5,469	**1,324**	1,236	**287**	296
Other product group items		**1,568**	1,341	**71**	41	**54**	25
Evaluation projects/other		**85**	52	**41**	39	**38**	45
		7,952	6,862	**1,436**	1,316	**379**	366
Copper							
Kennecott Utah Copper	100.0	**1,853**	1,627	**1,164**	1,046	**734**	632
Escondida	30.0	**1,342**	1,083	**830**	659	**471**	376
Grasberg joint venture	(f)	**217**	243	**150**	149	**77**	75
Palabora	57.7	**582**	387	**206**	88	**64**	21
Northparkes	80.0	**154**	106	**78**	68	**46**	35
Product group operations		**4,148**	3,446	**2,428**	2,010	**1,392**	1,139
Evaluation projects/other				**(228)**	(108)	**(155)**	(74)
		4,148	3,446	**2,200**	1,902	**1,237**	1,065
Energy							
Rio Tinto Coal Australia	(g)	**2,686**	1,917	**858**	689	**433**	360
Riversdale	99.8			**(22)**		**(17)**	
Rössing	68.6	**224**	261	**(25)**	56	**(17)**	18
Energy Resources of Australia	68.4	**246**	186	**(12)**	52	**(17)**	10
Product group operations		**3,156**	2,364	**799**	797	**382**	388
Evaluation projects/other		**2**	4	**(10)**	430	**(7)**	229
		3,158	2,368	**789**	1,227	**375**	617
Diamonds & Minerals							
Diamonds	(h)	**313**	326	**50**	75	**(10)**	34
Rio Tinto Iron & Titanium	(i)	**769**	633	**140**	133	**39**	35

Rio Tinto Minerals	(j)	**533**	499	**130**	96	**84**	53
Product group operations		**1,615**	1,458	**320**	304	**113**	122
Evaluation projects/other		**6**	10	**(18)**	(1)	**(15)**	(1)
		1,621	1,468	**302**	303	**98**	121
Other operations	(k)	**1,437**	2,770	**98**	134	**28**	56
Inter-segment transactions		**(312)**	(567)	**28**	(10)	**52**	(22)
Other items				**(259)**	(351)	**(209)**	(334)
Central exploration				**5**	18	**21**	7
Net interest						**(152)**	(217)
Underlying earnings				**14,253**	11,256	**7,781**	5,767
Items excluded from underlying earnings				**(75)**		**(194)**	78
Total		**31,764**	26,246	**14,178**	11,256	**7,587**	5,845
Depreciation and amortisation in subsidiaries				**(1,837)**	(1,612)		
Impairment charges				**(195)**	(565)		
Depreciation and amortisation in equity accounted units				**(266)**	(252)		
Taxation and finance items in equity accounted units				**(381)**	(323)		
Profit before finance items and taxation				**11,499**	8,504		

References above are to notes on pages 11 and 12.

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Rio Tinto financial information by business unit (continued)

Six months ended 30 June US$ millions	Rio Tinto interest	Capital Expenditure (m)		Depreciation & Amortisation		Operating Assets (n)	
						At 30 June	At 31 December
	%	**2011**	2010	**2011**	2010	2011	2010
Iron Ore							
Hamersley	100.0	**706**	442	**390**	287	**9,358**	8,010
Robe River (d)	53.0	**426**	103	**118**	94	**3,160**	2,612
Iron Ore Company of Canada	58.7	**236**	70	**54**	50	**1,029**	847
Dampier Salt	68.4	**10**	3	**12**	11	**210**	196
Simandou	95.0	**700**		**4**	4	**660**	(42)
Other						**5**	5
		2,078	618	**578**	446	**14,422**	11,628
Aluminium (e)							
Bauxite & Alumina		**276**	201	**220**	195	**11,831**	11,318
Primary Metal		**629**	343	**598**	538	**26,427**	25,380
Other integrated operations		**54**	(5)	**20**	22	**1,840**	1,628
Integrated operations		**959**	539	**838**	755	**40,098**	38,326

Copper