Rio Tinto PLC

STANDARD & POOR'S

S&P Recommendation STRONG BUY ★★★★★

Price
$48.61 (as of Oct 7, 2011)

12-Mo. Target Price
$92.00

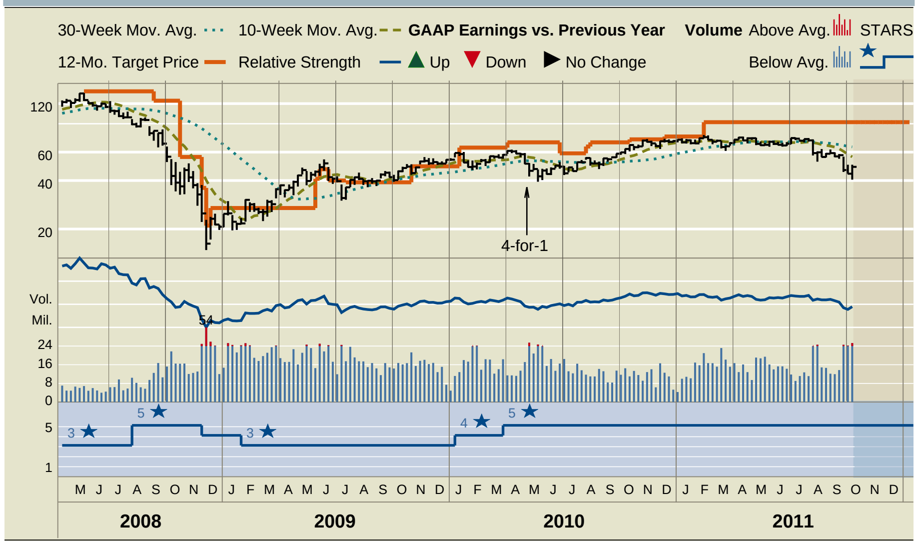
GICS Sector Materials
Sub-Industry Diversified Metals & Mining

Summary Rio Tinto, based in London, is one of the world's largest mining companies.

Key Stock Statistics (Source S&P, Vickers, company reports)

52-Wk Range	$76.67– 40.50	S&P Oper. EPS 2011**E**	9.25	Market Capitalization(B)	$93.686	Beta	1.52
Trailing 12-Month EPS	$8.16	S&P Oper. EPS 2012**E**	9.08	Yield (%)	2.40	S&P 3-Yr. Proj. EPS CAGR(%)	-8
Trailing 12-Month P/E	6.0	P/E on S&P Oper. EPS 2011**E**	5.3	Dividend Rate/Share	$1.17	S&P Credit Rating	A-
$10K Invested 5 Yrs Ago	$13,634	Common Shares Outstg. (M)	1,927.3	Institutional Ownership (%)	4		

Price Performance



Options: ASE, CBOE

Analysis prepared by Equity Analyst **Johnson Imode** on Sep 20, 2011, when the stock traded at **$55.02**.

Highlights

- We expect sales to increase 7% in 2011, mostly reflecting higher prices and increased volume of iron ore stemming from China's continued GDP growth, along with a broad recovery in key steel end-markets beyond China (e.g., Japan), which should sustain record production. Additionally, we look for higher prices in the Energy and Copper divisions to boost sales.
- We forecast another year of record earnings in 2011, driven principally by peak market prices for the company's key iron ore, copper, and metallurgical coal assets. Our 2011 EBITDA forecast of US$31 billion is a 19% year-over-year gain and equates to an EBITDA margin of 48%. The Iron Ore division is again the key driver of our estimates (69% of projected 2011 EBITDA), on our expectations for record production and prices. Elsewhere, we expect higher costs to depress the performance of Energy, Copper and Aluminium units. Additionally, we think that the stronger Australian Dollar is a headwind for profits, but we expect its impact to ease through the 2011 second half due to more favorable year over year comparisons.
- We estimate earnings per ADS of $9.25 in 2011, versus $7.67 in 2010.

Investment Rationale/Risk

- Our recommendation is strong buy. We believe RIO is well placed to benefit from a sustained period of high commodity prices, especially iron ore, copper and metallurgical coal. Underpinning our stance is the limited supply growth for these commodities through to 2013-14, which, when added to high demand as global economies recover, points to tight markets ahead, in our view. This strong demand backdrop has transformed RIO's financial position and looks set to shift it into a net cash position in 2011. We see this facilitating a return to peak capex levels, bolt-on acquisitions, a progressive dividend and share buybacks. These points, plus the likelihood of improving returns from the underperforming Aluminium business, make RIO one of our favorite recommendations.
- Risks to our recommendation and target price include the proposed Minerals Resource Rent Tax (MRRT), as we believe its calculation is clouded by accounting options that could raise the final liability.
- Our 12-month target price of $92 is derived from a blend of DCF and P/E multiple valuations.

Qualitative Risk Assessment

LOW	MEDIUM	HIGH

Our risk assessment reflects RIO's reliance on demand for highly cyclical commodities such as copper and iron ore, offset by our view of the company's moderate balance sheet leverage and generally strong free cash flow generation.

Quantitative Evaluations

S&P Quality Ranking **NR**

D	C	B-	B	B+	A-	A	A+

Relative Strength Rank **WEAK**

25

LOWEST = 1 HIGHEST = 99

Revenue/Earnings Data

Revenue (Million $)

	1Q	2Q	3Q	4Q	Year
2010	--	--	--	--	56,576
2009	--	--	--	--	41,825
2008	--	--	--	--	54,264
2007	--	--	--	--	29,700
2006	--	--	--	--	22,727
2005	--	--	--	--	19,033

Earnings Per ADS ($)

2010	--	--	--	--	7.31
2009	--	--	--	--	3.01
2008	--	--	--	--	3.49
2007	--	--	--	--	5.66
2006	--	--	--	--	5.56
2005	--	--	--	--	3.81

Fiscal year ended Dec. 31. Next earnings report expected: Late October. EPS Estimates based on S&P Operating Earnings; historical GAAP earnings are as reported.

Dividend Data (Dates: mm/dd Payment Date: mm/dd/yy)

Amount ($)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.633	--	03/02	03/04	03/31/11
0.536	--	08/10	08/12	09/08/11

Dividends have been paid since 1988. Source: Company reports.

Please read the Required Disclosures and Analyst Certification on the last page of this report.

Rio Tinto PLC

STANDARD &POOR'S

Business Summary September 20, 2011

CORPORATE OVERVIEW. Rio Tinto PLC (RIO) is one of the world's largest mining companies, operating in the fields of iron ore, energy, industrial minerals, aluminum, copper, diamonds and gold.

Rio Tinto reports through five product-orientated business divisions. (1) Iron Ore was the largest business unit in 2010, accounting for 40% of group revenues and 62% of EBITDA. According to Rio Tinto, the group is the second largest producer of iron ore globally and accounts for 20% of traded iron ore. The group's key iron ore assets are in Western Australia where it has nine mines. (2) Following the acquisition of Alcan in 2007, Aluminium is now a major business area for the group accounting for 25% of 2010 group revenues and 9% of EBITDA. The group is the largest Aluminium producer in the world and owns bauxite mines (the mineral that is refined to make Aluminium) in Australia, Brazil, Ghana, and Guinea. (3) The Energy division comprises the group's coal activities (thermal and coking coal) as well as uranium. In total, these activities accounted for 9% of 2010 group revenues and 8% of EBITDA. (4) According to Rio Tinto, the group is the fourth largest copper producer in the world accounting for 6% of global production. The group has major mines in Chile and the United States and overall copper accounted for 13% of 2010 revenues and 17% of EBITDA. Gold production is also included within the Copper division. (5) Diamonds and Minerals is the Rio Tinto's smallest division but most diverse. The group is the third largest supplier of diamonds globally and its mineral activities include borates, talc, and titanium dioxide feedstock. Together these activities accounted for 5% of 2010 revenues and 2% of EBITDA. Rio Tinto also has a number of other activities (e.g. nickel, potash, and lead) that are by products of its key commodities. These products together with the non-Aluminium activities acquired with Alcan ((Engineered Products) are incorporated in the Other Operations division and accounted for 9% of 2010 sales.

Geographically, China's economic development has increased its share of group revenues and in 2010 it was the largest market for the group at 28% of sales. Other key markets include Japan (16% of 2010 sales) and United States (15%).

Each ADS represents one Rio Tinto ordinary share.

MARKET PROFILE. Mining for base metals is a highly capital-intensive business requiring large sums of money to explore for deposits and construct mines once deposits have been discovered. Since the early part of this century, mining costs have risen dramatically. Risks in mining are numerous, and long-term survival and profitability require deep pockets. Since the beginning of the 21st century, the base metals mining industry has become more concentrated as a result of mergers.

RIO's main competitors in copper are Chile's state-owned copper company Corporacion Nacional del Cobre de Chile, BHP Billiton Ltd., Freeport McMoran Copper & Gold, Grupo Mexico, Southern Copper Company, Teck Resources and Xstrata. RIO's main competitors in iron ore are BHP Billiton and Vale. On average, these companies account for about 75% of the seaborne trade in iron ore.

RIO's main competitors in the aluminum market are Alcoa Inc., Aluminum Corp. of China (Chinalco), BHP Billiton, United Company RUSAL, and Vale S.A. RIO's main competitors in the market for seaborne metallurgical coal are Anglo American, Teck Resources and Xstrata.

FINANCIAL TRENDS. A combination of rising Chinese demand, western economic growth, higher commodity prices and the acquisition of Alcan boosted Rio Tinto's underlying EBIT by almost four times between 2003 and 2008. The recession, however, produced a sharp reversal in group profits in 2009 and necessitated a major program to reduce debt accumulated to finance Alcan. Net debt stood at US$39 billion at the end of 2008 but at the end of 2010 was just US$4.2 billion. This significant reduction in just 2 years was driven principally by the strong rebound in trading conditions post the recession, as well as an US$15 billion rights issue. We expect the much improved operating performance to continue in 2011 thanks to the global economic recovery and limited supply growth for a number of key commodities (notably iron ore and copper).

On October 10, 2010, RIO announced that it intended to invest a further US$3.1 billion (Rio Tinto share $2.1 billion) in expanding its iron ore infrastructure in the Pilbara. The company said that the investment was expected to increase annual infrastructure capacity to 283 million tons per year during 2013. Additionally, it stated that further investments would be required to achieve production of 283 million tons per year, such as mine and housing expansions, and approvals were anticipated within the next 12 months. RIO also stated that it had approved a final feasibility study into increasing Pilbara production capacity to 333 million tons per year.

On December 3, 2010, RIO and Sinosteel Corp. announced the extension of their Channar Mining joint venture in the Pilbara region of Western Australia. The extension of the joint venture was expected to lead to the production of an additional 50 million tons of iron ore. The Channar JV (Rio Tinto share 60%, Sinosteel 40%) is expected to produce 200 million tons, according to the terms of the joint venture agreement. RIO noted that at the current production rate of 10 million tons a year, it expected the 200 millionth ton of the original joint venture to be produced in the first quarter of 2012.

Corporate Information

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Officers

Chrmn
J.D. Plessis

CFO
G.R. Elliott

CEO
T. Albanese

CTO
P. Chiaro

COO
B. Clayton

Depositary for ADRs
Bank of New York, New York, NY

Board Members
T. Albanese
R. E. Brown
V. Cox
G. R. Elliott
M. Fitzpatrick
A. Godbehere
R. Goodmanson
A. Gould
O. John
C. J. Lynch
J. D. Plessis
P. Tellier
J. S. Varley
S. Walsh

Domicile
England

Founded
1873

Employees
69,002

Stockholders
420

Rio Tinto PLC

STANDARD &POOR'S

Quantitative Evaluations

S&P Fair Value Rank 5

1	2	3	4	5

LOWEST HIGHEST

Based on S&P's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).

Fair Value Calculation $59.30

Analysis of the stock's current worth, based on S&P's proprietary quantitative model suggests that RIO is Undervalued by $10.69 or 22.0%.

Investability Quotient Percentile 66

LOWEST = 1 HIGHEST = 100

RIO scored higher than 66% of all companies for which an S&P Report is available.

Volatility LOW AVERAGE HIGH

Technical Evaluation BEARISH

Since August, 2011, the technical indicators for RIO have been BEARISH.

Insider Activity NA UNFAVORABLE NEUTRAL FAVORABLE

Expanded Ratio Analysis

	2010	2009	2008	2007
Price/Sales	2.50	2.28	0.53	4.56
Price/EBITDA	6.21	8.50	1.51	12.89
Price/Pretax Income	6.87	12.12	3.12	13.78
P/E Ratio	9.25	17.91	6.36	18.54
Avg. Diluted Shares Outstg (M)	1,972.6	1,769.6	1,289.3	1,291.3

Figures based on calendar year-end price

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	35.27	18.21	25.25	29.56
Net Income	NM	26.85	10.90	32.24
Ratio Analysis (Annual Avg.)				
Net Margin (%)	27.01	16.01	21.08	22.78
% LT Debt to Capitalization	15.34	31.82	31.59	25.19
Return on Equity (%)	29.91	22.08	29.02	26.09

Company Financials Fiscal Year Ended Dec. 31

Per ADS Data ($)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Tangible Book Value	19.03	12.16	0.04	1.06	12.99	10.12	8.22	6.37	4.64	4.43
Cash Flow	9.49	5.04	6.19	7.30	6.65	4.74	2.39	1.26	1.23	1.46
Earnings	7.31	3.01	3.49	5.66	5.56	3.81	1.94	0.90	0.52	0.79
Dividends	NA	0.68	1.52	1.16	2.32	0.84	0.66	0.61	0.69	0.58
Payout Ratio	NA	23%	44%	20%	42%	22%	34%	67%	133%	75%
Prices:High	72.65	55.94	139.66	121.05	63.33	46.32	29.93	27.84	21.50	21.25
Prices:Low	39.30	19.63	14.80	48.22	44.02	27.64	21.13	17.92	15.28	13.43
P/E Ratio:High	10	19	40	21	11	12	45	31	42	27
P/E Ratio:Low	5	7	4	9	8	7	32	20	30	17

Income Statement Analysis (Million $)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenue	56,576	41,825	54,264	29,700	22,727	19,033	9,661	6,586	8,444	8,153
Operating Income	22,752	11,210	18,964	10,518	9,903	7,931	2,503	1,230	2,789	3,251
Depreciation	3,437	3,427	3,475	2,115	1,469	1,334	894	629	954	929
Interest Expense	NA	NA	1,821	660	220	289	89.7	413	267	389
Pretax Income	20,577	7,860	9,178	9,836	10,240	7,312	3,800	2,132	1,311	1,986
Effective Tax Rate	NA	26.4%	40.8%	21.3%	23.2%	24.8%	4.92%	26.1%	54.0%	36.2%
Net Income	15,281	5,321	4,503	7,312	7,438	5,498	3,796	1,562	651	1,081

Balance Sheet & Other Financial Data (Million $)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Cash	10,360	4,854	1,298	1,972	793	2,379	348	460	327	681
Current Assets	NA	NA	18,435	21,843	6,875	7,481	9,323	6,381	4,392	4,675
Total Assets	112,402	97,236	89,616	101,391	34,494	29,803	29,789	24,543	20,292	19,674
Current Liabilities	NA	NA	22,100	19,667	5,780	4,786	3,381	3,343	5,363	5,928
Long Term Debt	13,277	22,155	29,663	38,614	2,007	2,783	2,788	2,791	2,719	2,573
Common Equity	58,333	43,831	20,638	24,772	18,232	14,948	17,546	13,147	7,496	7,197
Total Capital	86,549	68,836	61,893	71,424	23,731	20,719	20,562	16,368	10,996	11,460
Capital Expenditures	4,591	5,388	8,574	5,382	4,265	2,552	1,090	1,792	1,296	1,483
Cash Flow	18,718	8,915	7,978	9,427	8,907	6,832	4,690	2,191	1,605	2,010
Current Ratio	1.8	1.6	0.8	1.1	1.2	1.6	2.8	1.9	0.8	0.8
% Long Term Debt of Capitalization	15.3	32.2	47.9	54.1	9.4	13.4	13.6	17.1	24.7	22.5
% Net Income of Revenue	27.0	12.7	8.3	24.6	32.7	28.9	39.3	23.7	7.7	13.3
% Return on Assets	14.6	5.7	4.7	10.8	23.1	19.6	14.2	7.3	3.3	5.7
% Return on Equity	29.9	16.5	19.8	34.0	44.8	41.0	25.2	14.4	9.1	15.2

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. Prior to 2003, income statement and balance sheet data were reported in British pounds. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

Rio Tinto PLC

Sub-Industry Outlook

Our fundamental outlook for the diversified metals & mining sub-industry (in which copper companies dominate) for the next 12 months is positive, as we believe sales and earnings will increase again in 2012 following 2011's expected gains.

Our expectation reflects our view that aluminum, copper, nickel, zinc, iron ore and coking coal prices will rise again in 2012, due mostly to a continued increase in demand and less abundant supply. Based on the Global Insight forecast for 3.2% global GDP growth in 2012, versus estimated global growth of 2.8% in 2011, we believe that worldwide demand for base metals will rise from 2011's levels. For example, we think global copper demand in 2012 will increase 5%, versus a projected gain of 7% in 2011. In our view, demand from the U.S. (the world's second largest consumer) will advance again in 2012 on a projected increase of 41% in housing starts, versus an estimated rise of 1.7% in 2011. Also, we believe that mine production will rise less rapidly than demand in 2012, and we expect that metal exchange inventories will decline. For 2012, we look for an average copper price of $4.30 a pound, versus 2011's estimated average price of $4.10 a pound. Additionally, we continue to expect strong demand for iron ore, coking coal and nickel on a projected rise in global steel output in 2012. For 2011, we look for an average copper price of $4.10 a pound, versus 2010's average price of $3.43 a pound.

Longer term, we believe that secular demand for copper and other base metals will increase. In our view, the industrialization of China and India will lead to greater demand. At the same time, we believe production of copper and other base metals will increase less rapidly than demand, as output at existing mines is exhausted and fewer new mines come into production. Consequently, we think that the copper price at the next trough will be higher than the $0.71 of 2002, and that the next market peak will result in copper prices reaching a higher average level than the average price seen in 2007. Also, we believe mining industry consolidation will help lift prices.

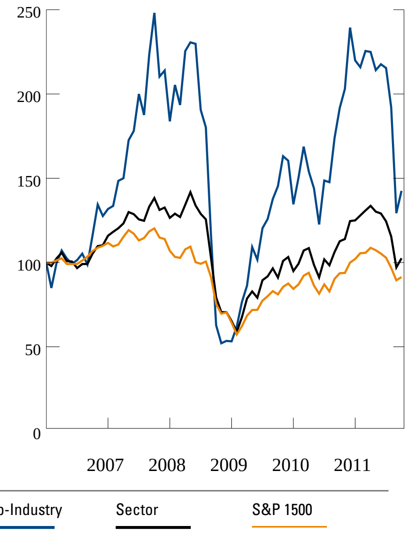
Year to date to September 9, the S&P Diversified Metals & Mining Index declined 28.3%, versus an 8.4% drop in the S&P 1500 Composite Index and a 12.8% decrease in the S&P Materials Index. In 2010, the sub-industry index rose 49.2%, while the S&P 1500 increased 14.2% and the S&P Materials Index advanced 20.6%.

--Leo Larkin

Stock Performance

GICS Sector: Materials
Sub-Industry: Diversified Metals & Mining

Based on S&P 1500 Indexes
Month-end Price Performance as of 09/30/11



NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Sub-Industry : Diversified Metals & Mining Peer Group*: Copper Mining

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. $)	Recent Stock Price($)	52 Week High/Low($)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.($)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
Rio Tinto plc ADS	**RIO**	**93,686**	**48.61**	**76.67/40.50**	**1.52**	**2.4**	**6**	**59.30**	**NR**	**66**	**27.0**	**15.3**
Freep't McMoRan Copper&Gold'B'	FCX	32,237	34.01	61.35/28.85	1.78	2.9	6	44.20	B-	89	22.8	24.1
Southern Copper	SCCO	22,057	26.09	50.35/22.58	1.52	7.4	11	19.50	B	83	30.4	41.1

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

S&P Analyst Research Notes and other Company News

September 20, 2011
01:45 pm ET ... S&P KEEPS STRONG BUY OPINION ON THE ADSS OF RIO TINTO PLC (RIO 55.61*****): Although we have lowered earnings estimates, we retain our strong buy and maintain our equally blended DCF and P/E multiples-derived target price of $92. We cut our '11 estimate to $9.25 from $10.14 and reduce '12's to $9.08 from $10.09 on a higher interest expense assumption and our view that increased costs in the energy, copper and aluminum units will partly offset strength in iron ore. We believe that RIO is well positioned for a sustained period of higher commodity prices and think RIO's improved finances will enable it to raise the dividend, and buy back stock. /L. Larkin

September 1, 2011
Rio Tinto Ltd. announced that Chris Lynch joins the Boards of Rio Tinto plc and Rio Tinto Limited as a non-executive director. Chris Lynch has had an extensive career in the mining and metals industry, including seven years at BHP Billiton, where he was chief financial officer and then executive director and group president # Carbon Steel Materials. Prior to this he spent 20 years with Alcoa Inc. He is currently chief executive officer of Transurban Group and is also a commissioner of the Australian Football League.

July 8, 2011
John Varley will join the boards of Rio Tinto plc and Rio Tinto Ltd. as a non-executive director on September 1, 2011. John Varley's career includes 28 years at global financial services provider Barclays, where he spent six years as chief executive until the end of 2010. His boardroom experience includes current non-executive directorships at AstraZeneca plc and BlackRock Inc. He remains a senior advisor to Barclays and is a member of the International Advisory Panel of the Monetary Authority of Singapore.

May 18, 2011
02:52 pm ET ... S&P REITERATES STRONG BUY OPINION ON THE ADSS OF RIO TINTO PLC (RIO 68.15*****): We are maintaining our strong buy recommendation and 12-month target price of $92, which is derived from equally blended DCF and P/E multiples. We continue to estimate earnings of $10.14 for '11 and $10.09 for '12. The ADSs are down about 4% year to date, we believe, over concerns about global growth and a perceived end to the commodities boom. But, based on the higher year over year prices for copper and iron ore, we believe the uptrend for commodities remains intact. We think RIO is attractively valued trading at about 6.8X our estimate for '12. /L.Larkin

March 4, 2011
Rio Tinto plc announced that non-executive directors Rod Eddington and Yves Fortier will be retiring from the boards at the conclusion of the 2011 annual general meetings on May 5, 2011. Andrew Gould, senior independent director, will serve for one more year before retiring at the conclusion of the 2012 meetings.

February 10, 2011
04:15 pm ET ... S&P REITERATES STRONG BUY OPINION ON THE ADSS OF RIO TINTO PLC (RIO 74.11*****): Following release of RIO's results for '10's second half, we raise our equally blended DCF and PE multiples derived target price to $92 from $75. Underlying EBITDA of $26 billion was in line with our estimates. We increase our '11 estimate to $10.14 from $7.44 to reflect a more positive outlook for commodity prices in general and copper in particular. We note that '10's sharply higher earnings were accompanied by strong free cash flow generation that has enabled RIO to cut debt, increase the dividend, and announce a share buyback. /L.Larkin

December 6, 2010
11:09 am ET ... S&P REITERATES STRONG BUY OPINION ON THE ADSS OF RIO TINTO PLC (RIO 69.92*****): We are keeping our strong buy recommendation on the ADSS of RIO, and we are increasing our '10 estimate to $6.24 from $6.16. Also, we are raising our '11 estimate per ADS to $7.44 from $6.54 to reflect a more positive outlook for iron ore prices. In our view, tightness in supply, coupled with continued strong Chinese consumption and recovery in demand from South Korea and Japan, will boost iron ore prices. We raise our equally blended DCF and P/E multiple derived 12-month target price to $75 from $72, to reflect the upward revisions to our estimates. /L.Larkin

October 18, 2010
01:16 pm ET ... S&P REITERATES STRONG BUY OPINION ON THE ADSS OF RIO TINTO PLC (RIO 65.0*****): We think the ADSS are down on today's announcement that the company and BHP Billiton (BBL 69****) mutually agreed to end their proposed iron ore joint venture. Given that the deal was not completed, coupled with our view that the proposed JV would face severe regulatory hurdles due to the already high market concentration in seaborne iron ore, we had not factored in deal benefits to our model. Accordingly, we keep our estimates of $6.16 and $6.54 for '10 and '11 respectively, and we maintain our 12-month target price of $72. /L.Larkin

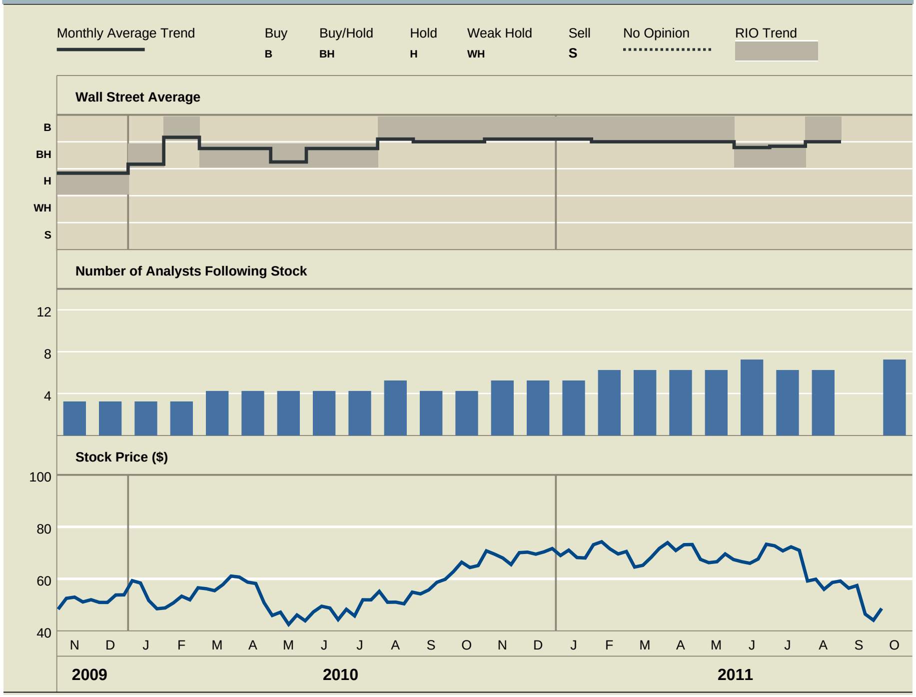
October 18, 2010
01:42 pm ET ... S&P REITERATES BUY RECOMMENDATION ON ADSS OF BHP BILLITON PLC (BBL 69.54****): We think the ADSs are down on today's announcement that the company and Rio Tinto PLC (RIO 65*****) mutually agreed to end their proposed iron ore joint venture. Given that the deal was not completed, coupled with our view that the proposed JV would face severe regulatory hurdles due to the already high market concentration in seaborne iron ore, we had not factored in any deal benefits to our model. Thus, we keep our EPS estimates of $6.20 and $6.66 for FY 11 (Jun) and FY 12, respectively, and maintain our 12-month target price of $77. /LLarkin

October 14, 2010
10:15 am ET ... S&P REITERATES STRONG BUY OPINION ON ADSS OF RIO TINTO PLC (RIO 65.56*****): Following RIO's Q3 production report, we maintain our strong buy opinion and raise our equally blended DCF and P/E multiples derived 12-month target price to $72 from $69 to reflect higher sector valuations. We think that RIO's strong production report provides reassurance that base metals demand remains firm. And, over the medium term, we see continued high prices for such key commodities as iron ore and copper due to limited supplies. Long term, we see RIO's earnings benefiting from a secular rise in demand for base metals. /LLarkin

August 6, 2010
10:37 am ET ... S&P REITERATES STRONG BUY RECOMMENDATION ON THE ADSS OF RIO TINTO PLC (RTP 55.35*****): RTP posts first half 2010 earnings per ADS of $3.00, vs. earnings of $1.37, on a 34% sales gain, easily topping our $2.41 estimate on higher than expected sales. We lift our estimate for '10 to $6.16 from $5.28 and raise '11's to $6.54 from $6.04 to reflect our more positive outlook for sales and margins going forward. We lift our equally blended DCF and P/E multiple based target price to $69 from $65 to reflect the upward revision to our earnings estimates. We see RTP's long terms sales and earnings rising on higher commodity prices. /LLarkin

Rio Tinto PLC

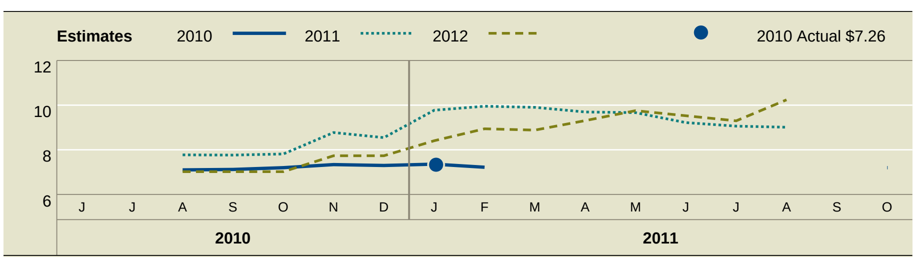
Analysts' Recommendations



Of the total 10 companies following RIO, 7 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	3	43	0	2
Buy/Hold	4	57	0	4
Hold	0	0	0	0
Weak Hold	0	0	0	0
Sell	0	0	0	0
No Opinion	0	0	0	1
Total	**7**	**100**	**0**	**7**

Wall Street Consensus Estimates



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2012	9.49	9.95	8.58	4	5.1
2011	8.86	9.47	8.26	6	5.5
2012 vs. 2011	**▲ 7%**	**▲ 5%**	**▲ 4%**	**▼ -33%**	**▼ -7%**
Q3'12	NA	NA	NA	0	NM
Q3'11	4.71	4.71	4.71	1	10.3
Q3'12 vs. Q3'11	**NA**	**NA**	**NA**	**▼ -100%**	**▼ -100%**

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

Wall Steet Consensus Opinion

BUY/HOLD

Companies Offering Coverage

BMO Capital Markets-canada
Bofa Merrill Lynch
Canaccord Genuity
Dahlman Rose & Co.
Deutsche Bank North America
E.I. & C. Baillieu Stockbroking Ltd.
GMP Securities Ltd.
Jpmorgan
Morningstar, Inc.
Numis Securities

Wall Street Consensus vs. Performance

For fiscal year 2011, analysts estimate that RIO will earn $8.86. For the 2nd quarter of fiscal year 2011, RIO announced earnings per share of $1.93, representing 22% of the total annual estimate. For fiscal year 2012, analysts estimate that RIO's earnings per share will grow by 7% to $9.49.

Rio Tinto PLC

Glossary

S&P STARS
Since January 1, 1987, Standard and Poor's Equity Research Services has ranked a universe of common stocks based on a given stock's potential for future performance. Under proprietary STARS (STock Appreciation Ranking System), S&P equity analysts rank stocks according to their individual forecast of a stock's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350 Index or S&P 500 Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

S&P 12-Month Target Price
The S&P equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics, including S&P Fair Value.

Investment Style Classification
Characterizes the stock as Growth or Value, and indicates its capitalization level. Growth is evaluated along three dimensions (earnings, sales and internal growth), while Value is evaluated along four dimensions (book-to-price, cash flow-to-price, dividend yield and sale-to-price). Growth stocks score higher than the market average on growth dimensions and lower on value dimensions. The reverse is true for Value stocks. Certain stocks are classified as Blend, indicating a mixture of growth and value characteristics and cannot be classified as purely growth or value.

S&P EPS Estimates
Standard & Poor's earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, S&P EPS estimates reflect either forecasts of S&P equity analysts; or, the consensus (average) EPS estimate, which are independently compiled by Capital IQ, a data provider to Standard & Poor's Equity Research. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

S&P Core Earnings
Standard & Poor's Core Earnings is a uniform methodology for adjusting operating earnings by focusing on a company's after-tax earnings generated from its principal businesses. Included in the Standard & Poor's definition are employee stock option grant expenses, pension costs, restructuring charges from ongoing operations, write-downs of depreciable or amortizable operating assets, purchased research and development, M&A related expenses and unrealized gains/losses from hedging activities. Excluded from the definition are pension gains, impairment of goodwill charges, gains or losses from asset sales, reversal of prior-year charges and provision from litigation or insurance settlements.

Qualitative Risk Assessment
The S&P equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the S&P U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices.

Quantitative Evaluations
In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

S&P Quality Ranking
Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to capsulize the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Below Average
A	High	B-	Lower
A-	Above Average	C	Lowest
B+	Average	D	In Reorganization
NR	Not Ranked		

S&P Fair Value Rank
Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

S&P Fair Value Calculation
The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

Insider Activity
Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

Funds From Operations FFO
FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

Investability Quotient (IQ)
The IQ is a measure of investment desirability. It serves as an indicator of potential medium-to-long term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P proprietary measures.

S&P's IQ Rationale:
Rio Tinto plc ADS

	Raw Score	Max Value
Proprietary S&P Measures	17	115
Technical Indicators	12	40
Liquidity/Volatility Measures	14	20
Quantitative Measures	49	75
IQ Total	**92**	**250**

Volatility
Rates the volatility of the stock's price over the past year.

Technical Evaluation
In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

Relative Strength Rank
Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

Global Industry Classification Standard (GICS)
An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 68 Industries, and 154 Sub-Industries.

S&P Issuer Credit Rating
A Standard & Poor's Issuer Credit Rating is a current opinion of an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation. The Issuer Credit Rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer Credit Ratings are based on current information furnished by obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any Issuer Credit Rating and may, on occasion, rely on unaudited financial information. Issuer Credit Ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

Exchange Type
ASE - American Stock Exchange; NNM - Nasdaq National Market; NSC - Nasdaq SmallCap; NYSE - New York Stock Exchange; BB - OTC Bulletin Board; OT - Over-the-Counter; TO - Toronto Stock Exchange.

S&P Equity Research Services
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Abbreviations Used in S&P Equity Research Reports
CAGR- Compound Annual Growth Rate; **CAPEX**- Capital Expenditures; **CY**- Calendar Year; **DCF**- Discounted Cash Flow; **EBIT**- Earnings Before Interest and Taxes; **EBITDA**- Earnings Before Interest, Taxes, Depreciation and Amortization; **EPS**- Earnings Per Share; **EV**- Enterprise Value; **FCF**- Free Cash Flow; **FFO**- Funds From Operations; **FY**- Fiscal Year; **P/E**- Price/Earnings ; **PEG Ratio**- P/E-to-Growth Ratio; **PV**- Present Value; **R&D**- Research & Development; **ROE**- Return on Equity; **ROI**- Return on Investment; **ROIC**- Return on Invested Capital; **ROA**- Return on Assets; **SG&A**- Selling, General & Administrative Expenses; **WACC**- Weighted Average Cost of Capital

Dividends on American Depository Receipts (ADRs) and American Depository Shares (ADSs) are net of taxes (paid in the country of origin).

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In contrast to the qualitative STARS recommendations covered in this report, which are determined and assigned by S&P equity analysts, S&P's quantitative evaluations are derived from S&P's proprietary Fair Value quantitative model. In particular, the Fair Value Ranking methodology is a relative ranking methodology, whereas the STARS methodology is not. Because the Fair Value model and the STARS methodology reflect different criteria, assumptions and analytical methods, quantitative evaluations may at times differ from (or even contradict) an equity analyst's STARS recommendations. As a quantitative model, Fair Value relies on history and consensus estimates and does not introduce an element of subjectivity as can be the case with equity analysts in assigning STARS recommendations.

S&P Global STARS Distribution

In North America: As of September 30, 2011, research analysts at Standard & Poor's Equity Research Services North America recommended 42.2% of issuers with buy recommendations, 54.2% with hold recommendations and 3.6% with sell recommendations.

In Europe: As of September 30, 2011, research analysts at Standard & Poor's Equity Research Services Europe recommended 34.4% of issuers with buy recommendations, 49.4% with hold recommendations and 16.2% with sell recommendations.

In Asia: As of September 30, 2011, research analysts at Standard & Poor's Equity Research Services Asia recommended 48.4% of issuers with buy recommendations, 45.7% with hold recommendations and 5.9% with sell recommendations.

Globally: As of September 30, 2011, research analysts at Standard & Poor's Equity Research Services globally recommended 41.5% of issuers with buy recommendations, 52.6% with hold recommendations and 5.9% with sell recommendations.

★★★★★ **5-STARS (Strong Buy)**: Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★☆ **4-STARS (Buy)**: Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★☆☆ **3-STARS (Hold)**: Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★☆☆☆ **2-STARS (Sell)**: Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

★☆☆☆☆ **1-STARS (Strong Sell)**: Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks: In North America the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

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In Europe: As of September 30, 2011, Standard & Poor's Quantitative Services Europe recommended 47.0% of issuers with buy recommendations, 21.0% with hold recommendations and 31.0% with sell recommendations.

In Asia: As of September 30, 2011, Standard & Poor's Quantitative Services Asia recommended 48.4% of issuers with buy recommendations, 22.0% with hold recommendations and 33.0% with sell recommendations.

Globally: As of September 30, 2011, Standard & Poor's Quantitative Services globally recommended 43.0% of issuers with buy recommendations, 21.0% with hold recommendations and 35.0% with sell recommendations.

Additional information is available upon request.

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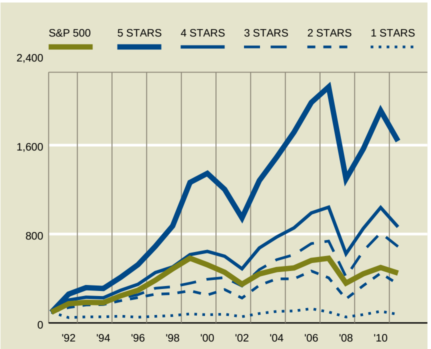
U.S. STARS Cumulative Model Performance
Hypothetical Growth Due to Price Appreciation of $100
For the Period 12/31/1986 through 09/30/2011



The performance above represents only the results of Standard & Poor's model portfolios. Model performance has inherent limitations. Standard & Poor's maintains the models and calculates the model performance shown, but does not manage actual assets. The U.S. STARS model performance chart is only an illustration of Standard & Poor's (S&P) research; it shows how U.S. common stocks, ADRs (American Depositary Receipts) and ADSs (American Depositary Shares), collectively "equities", that received particular STARS rankings performed. STARS categories are models only; they are not collective investment funds. The STARS performance does not show how any actual portfolio has performed. STARS model performance does not represent the results of actual trading of investor assets. Thus, the model performance shown does not reflect the impact that material economic and market factors might have had on decision-making if actual investor money had been managed. Performance is calculated using a time-weighted rate of return. While model performance for some or all STARS categories performed better than the S&P 500 for the period shown, the performance during any shorter period may not have, and there is no assurance that they will perform better than the S&P 500 in the future. STARS does not take into account any particular investment objective, financial situation or need and is not intended as an investment recommendation or strategy. Investments based on the STARS methodology may lose money. High returns are not necessarily the norm and there is no assurance that they can be sustained. Past model performance of STARS is no guarantee of future performance.

For model performance calculation purposes, the equities within each STARS category at December 31, 1986 were equally weighted. Thereafter, additions to the composition of the equities in each STARS category are made at the average value of the STARS category at the preceding month end with no rebalancing. Deletions are made at the closing price of the day that the deletion is made. Performance was calculated from inception through March 31, 2003 on a monthly basis. Thereafter, performance is calculated daily. Equities in each STARS category will change over time, and some or all of the equities that received STARS rankings during the time period shown may not have maintained their STARS ranking during the entire period.

The model performance does not consider taxes and brokerage commissions, nor does it reflect the deduction of any advisory or other fees charged by advisors or other parties that investors will incur when their accounts are managed in accordance with the models. The imposition of these fees and charges would cause actual performance to be lower than the performance shown. For example, if a model returned 10 percent on a $100,000 investment for a 12-month period (or $10,000) and an annual asset-based fee of 1.5 percent were imposed at the end of the period (or $1,650), the net return would be 8.35 percent (or $8,350) for the year. Over 3 years, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.1%, a total fee of $5,375 and a cumulative net return of 27.2% (or $27,200). Fees deducted on a frequency other than annual would result in a different cumulative net return in the preceding example.

The Standard & Poor's 500 index is the benchmark for U.S. STARS. The S&P 500 index is calculated in U.S. dollars and does not take into account the reinvestment of dividends. Indexes are unmanaged, statistical composites and their returns do not include payment of any sales charges or fees an investor would pay to purchase the securities they represent. Such costs would lower performance. It is not possible to invest directly in an index. The S&P 500 index includes a different number of constituents and has different risk characteristics than the STARS equities. Some of the STARS equities may have been included in the S&P 500 index for some (but not necessarily all) of the period covered in the chart, and some such equities may not have been included at all. The S&P 500 excludes ADRs and ADSs. The methodology for calculating the return of the S&P 500 index differs from the methodology of calculating the return for STARS. Past performance of the S&P 500 index is no guarantee of future performance.

An investment based upon the models should only be made after consulting with a financial advisor and with an understanding of the risks associated with any investment in securities, including, but not limited to, market risk, currency risk, political and credit risks, the risk of economic recession and the risk that issuers of securities or general stock market conditions may worsen, over time. Foreign investing involves certain risks, including currency fluctuations and controls, restrictions on foreign investments, less governmental supervision and regulation, less liquidity and the potential for market volatility and political instability. As with any investment, investment returns and principal value will fluctuate, so that when redeemed, an investor's shares may be worth more or less than their original cost.

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