



HD Rio Tinto warns of more economic upheaval at annual general meeting in London

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Rio Tinto's chairman expects financial market volatility to continue this year, warning the global economy is likely to face more challenges in 2014.

Addressing shareholders at the **company's** annual general meeting in London, Jan du Plessis outlined international issues likely to impact on the **company's operations** and results.

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"Tensions remain in Europe and the pace of reform and structural readjustments is slow," he said.

"The combination of low interest rates, low growth and low inflation leaves that continent with considerable challenges ... and in the United States, the unwinding of quantitative easing represents uncharted territory."

Mr du Plessis says he also expects short term ups and downs in **China**, Rio Tinto's major customer.

"While the fundamental drivers of the **Chinese** economy remain intact, we can expect some variability ... as authorities endeavour to steer the economy along a more sustainable and steady path of growth," he said.

China is due to release its latest official growth figures at 12:00pm (AEST).

Chief executive Sam Walsh says he is taking Rio Tinto "back to the future" after a year of cost cutting, increased production and selling off mines.

Mr Walsh took the helm of Rio Tinto from Tom Albanese early last year after **billions** of dollars in writedowns.

The **mining company's** annual report shows Mr Walsh is eligible for a payout of just over \$10 **million** for 2013, up from 2012.

The **company** took huge writedowns on its aluminium businesses after its ill-timed **purchase** of Canada's Alcan just before the global financial crisis.

Mr Walsh says Rio Tinto's aluminium business will continue to operate in a difficult environment.

"Aluminium will improve over time, but at the moment we are stuck with low LME (London Metal Exchange) prices and we've just got to survive through this period," he said.

No help for **Energy** Resources of Australia

Rio Tinto has also refused a guarantee to help its subsidiary **Energy** Resources of Australia (ERA) rehabilitate the Ranger **uranium** mine, which is surrounded by Kakadu National **Park** in the Northern Territory.

ERA has completed open cut **mining** and wants to build an underground mine, but it needs to from a leach tank in December.

Mr Walsh says rehabilitation of the mine **site** is ERA's responsibility.

"This is a public Australian **company** and clearly that is an issue for them," he said.

"We are clearly shareholders but it's a matter for all shareholders and a matter for the ERA **board**."

The miner says it is continuing discussions with the .

Mr Walsh says he is "relatively confident" of reaching agreement despite shareholder issues.

"All parties have requested an extension of the deadline for the project finance, and I'm hopeful we will receive the approval for that," he said.

Activists and supporters have their say

Environmental groups, pension funds and non-government organisations also attended the AGM to comment on the **company**'s social and environmental record.

Mr du Plessis defended Rio Tinto's investment in the giant Grasberg **copper** mine in West Papua in Indonesia despite the deaths of more than 30 workers last year in a training tunnel collapse, and what he called "significant challenges" in mine waste disposal.

An activist from Madagascar criticised the **company**'s involvement in a **mining** project in her country and accused the **company** of not being transparent about the environmental degradation caused by **mining**.

Native Alaskan communities praised Rio Tinto for its decision to sell out of the Pebble mine project in south-west Alaska and gift its shareholding to two Alaskan charities.

Kimberly Williams from the Native Alaskan **group** Caretakers of Our Land told the meeting she was very thankful the **company** had divested its **stake** in the **copper** and **gold** project.

The Arizona **Mining** Reform Coalition's Roger Featherstone called on the **company** to emulate that decision and abandon plans for a \$6 **billion copper** mine in Arizona.

Mr Walsh responded saying there was broad support for the planned underground mine and the **company** was committed to "vigorous consultation" on the project.

The Resolution project is part owned by Rio and also by BHP Billiton.

Mr du Plessis says the **company** has no plans for a share buyback at the moment and it plans to continue paying off debt in 2014.

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