

# Cairns Post

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HD **Rio boss lauds huge profit**  
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RIO Tinto has more than doubled its half-year net profit to \$US4.4 **billion** (\$A4.76 **billion**).

The world's second largest miner's profit was below consensus analyst expectations of \$US4.57 **billion**.

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The result was an improvement on a \$US1.7 **billion** net profit in the first half of last year.

Underlying earnings, which strips out \$US843 **million** in one-off impairment charges, was up 21 per cent to \$US5.1 **billion**.

Chief executive Sam Walsh said the result was outstanding considering weaker commodity prices.

**Iron ore** earnings of \$US4.7 **billion** dominated the result, but the biggest profit growth came in aluminium and **copper**, with 74 per cent and 71 per cent rises respectively. Rio Tinto's interim dividend of US96¢ a share is up 15 per cent from a year ago, in line with expectations. **Iron ore** earnings were up 10 per cent on the previous year.

The next largest contributor to earnings was **copper**, followed by the long troubled aluminium division.

The **energy** division, which includes **coal** and **uranium**, improved to a \$US19 **million** loss.

That comes in the wake of Rio's disastrous \$US4 **billion**-plus loss on the **sale** of its **coal** assets in Mozambique. The **company**'s net debt reduced by \$US1.9 **billion** in the six months to \$US16.1 **billion**.

Mr Walsh said he was confident of the long-term fundamentals of demand for its products, while recognising the changing nature of **China**'s economic development.

"Global GDP growth in 2014 is expected to exceed 3 per cent which will support commodity demand," he said.

"The **Chinese** Government is dealing effectively with the rebalancing of its economy, with its desired GDP growth of 7.5 per cent in 2014 on target." **China** is Rio's key **iron ore** market and Mr Walsh said high-cost **iron-ore** producers were exiting the market, leaving Rio well placed.

Extra supply through large expansions of major mines has led to predictions of over-supply and falling **iron ore** prices.

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HOW RIO DID ■ **Iron ore** made a \$US4.68b profit, up 10% ■ **Coal** made a \$US19m loss, up 63% from a \$US52m loss ■ **Copper** made a \$US594m profit, up 71% from \$US348m ■ Aluminium made a \$US373m profit, up 74% ■ Diamonds/minerals made a \$US160m profit, down 17%

CO rtz : Rio Tinto PLC | rtzcra : Rio Tinto Group | craaus : Rio Tinto Ltd

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