

The Border Mail

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HD Rio piles up the cash
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MINING giant Rio Tinto has delivered a larger than expected full-year profit and dividend despite the price of most of its products falling.

Rio's profit last year was up 10 per cent on the previous year to \$11.52 **billion**, above analysts' expectations of \$10.85 **billion**.

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Net profit, which included impairments, was \$4.13 **billion**.

The world's second largest **iron ore** producer also met a promise issued by chief executive Sam Walsh a year ago to boost shareholder returns and slash debt.

Shareholders will receive a dividend of \$2.15 dividend a share, up from \$1.85 a year ago.

Net debt was at \$20.2 **billion**, down \$4.5 **billion** from last June.

Massive cost cutting drove the profit growth, with falls in the prices of most of its commodities — with the exception of **iron ore** — hurting earnings by \$1.45 **billion**, despite record production.

Rio cut operating cash costs by \$2.55 **billion**, exceeding its target of \$2.25 **billion**.

Mr Walsh said the **company** had made "very real progress" and delivered "stunning" results.

Mr Walsh rejected talk there would be large falls in the **iron ore** price and predicted strong global economy — in **China** and developed countries.

Rio reduced its workforce by 4000 people and another 3300 workers left with the **sale** of businesses.

The profit was an improvement from a \$3.35 **billion** loss in 2012.

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