
BHPB bids for Rio - Rio dismisses debt concerns

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It is reported that Rio Tinto has dismissed concerns about its USD 42 billion US debt burden after BHP Billiton dropped its hostile takeover bid.

Mr Paul Skinner chairman of Rio Tinto's said that "We are comfortable with our financial position, we're confident that our debt position is manageable, we have very strong cash flows and we have a number of other ways of managing our debt position."

He added that it still expected to proceed with asset sales, some of which have stalled in recent months due to the difficult financial environment.

Mr Skinner was quoted as saying that "I do expect over the months ahead, notwithstanding the condition in financial markets to see significant asset sales."

Meanwhile Rio's share price has plunged since BHP announced it would not pursue its bid dropping by some 40% in early trade in London and opening down some 36% in the Australian market.

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