

Rio Tinto

Rio Tinto is a leading international mining group whose business is finding, mining and processing the Earth's mineral resources. The Group's interests are diverse both in geography and product. Our activities span the world but we are strongly represented in Australia and North America and we have significant businesses in South America, Asia, Europe and southern Africa. Businesses include open pit and underground mines, mills, refineries and smelters as well as a number of research and service facilities.

The Group combines Rio Tinto plc, which is listed on the London Stock Exchange, and headquartered in London, and Rio Tinto Limited, which is listed on the Australian Securities Exchange and has executive offices in Melbourne. The Group consists of wholly and partly owned subsidiaries, jointly controlled assets, jointly controlled entities and associated companies, the principal ones being listed in notes 37 to 40 of the 2007 *Full financial statements*.

On 31 December 2007, Rio Tinto plc had a market capitalisation of £53.0 billion (US\$105.9 billion) and Rio Tinto Limited had a market capitalisation of A\$38.3 billion (US\$33.5 billion). The combined Group's market capitalisation in publicly held shares at the end of 2007 was US\$139.4 billion.

Objective, strategy and management structure

Our fundamental objective is to maximise the overall long term value and return to our shareholders. We do this by operating responsibly and sustainably in areas of proven expertise such as exploration, project evaluation, mining, smelting and refining where the Group has a competitive advantage.

Our strategy is to maximise net present value by investing in large, long life, cost competitive mines and processing plants. Investments are driven by the quality of each opportunity, not by the choice of commodity.

Rio Tinto's management structure is designed to facilitate a clear focus on the Group's objective. This structure, reflected in this report, is based on the following principal product and global support groups:

- Aluminium
- Copper
- Diamonds and Industrial Minerals
- Energy
- Iron Ore
- Exploration
- Technology and Innovation
- Business Resources

The chief executive of each product group reports to the chief executive of Rio Tinto. Diamonds and Industrial Minerals report to the product group heads of Copper and Energy respectively.

Nomenclature and financial data

Rio Tinto Limited and Rio Tinto plc operate as one business organisation, referred to in this report as Rio Tinto, the Rio Tinto Group or, more simply, the Group. These collective expressions are used for convenience only, since both Companies, and the individual companies in which they directly or indirectly own investments, are separate and distinct legal entities.

"Limited", "plc", "Pty", "Inc", "Limitada", or "SA" have generally been omitted from Group company names, except to distinguish between Rio Tinto plc and Rio Tinto Limited.

Financial data in United States dollars (US\$) is derived from, and should be read in conjunction with, the 2007 *Full financial statements* which are in US\$. In general, financial data in pounds sterling (£) and Australian dollars (A\$) have been translated from the consolidated financial statements and have been provided solely for convenience; exceptions arise where data, such as directors' remuneration, can be extracted directly from source records. Certain key information has been provided in all three currencies in the 2007 *Full financial statements*.

Rio Tinto Group sales revenue, profit before tax and net earnings and operating assets for 2006 and 2007 attributable to the product

groups and geographical areas are shown in notes 31 and 32 to the 2007 *Full financial statements*. In the *Operating and financial report* (OFR), operating assets and sales revenue for 2006 and 2007 are consistent with the financial information by business unit in the 2007 *Full financial statements*.

The tables on pages 62 to 73 show production for 2005, 2006 and 2007 and include estimates of proved and probable ore reserves and mineral resources. Words and phrases, often technical, have been used which have particular meanings; definitions of these terms are in the Glossary on pages 132 to 134. The weights and measures used are mainly metric units; conversions into other units are shown on page 135.

History

Rio Tinto's predecessor companies were formed in 1873 and 1905. The Rio Tinto Company was formed by investors in 1873 to mine ancient copper workings at Rio Tinto, near Seville in southern Spain. The Consolidated Zinc Corporation was incorporated in 1905 to treat zinc bearing mine waste at Broken Hill, New South Wales, Australia.

The RTZ Corporation (formerly The Rio Tinto-Zinc Corporation) was formed in 1962 by the merger of The Rio Tinto Company and The Consolidated Zinc Corporation.

CRA Limited (formerly Conzinc Riotinto of Australia Limited) was formed at the same time by a merger of the Australian interests of The Consolidated Zinc Corporation and The Rio Tinto Company.

Between 1962 and 1995, both RTZ and CRA discovered important mineral deposits, developed major mining projects and also grew through acquisition.

RTZ and CRA were unified in 1995 through a dual listed companies structure. This means the Group, with its common board of directors, is designed to place the shareholders of both Companies in substantially the same position as if they held shares in a single enterprise owning all of the assets of both Companies.

In 1997, The RTZ Corporation became Rio Tinto plc and CRA Limited became Rio Tinto Limited, together known as the Rio Tinto Group. Over the past decade, the Group has continued to invest in developments and acquisitions in keeping with its strategy.

In 2007, Rio Tinto completed an agreed takeover of the Canadian aluminium producer Alcan Inc. in a US\$38 billion transaction that transforms the Group's aluminium product group into a global leader in aluminium.

Contact details

Rio Tinto's contact details are shown on page 136 of this report and for purposes of service, its agent in the US is Shannon Crompton, secretary of Rio Tinto's US holding companies, who may be contacted at Rio Tinto Services Inc., 80 State Street, Albany, New York, 12207-2543.