

## Group statement of recognised income and expense ('SORIE')

Years ended 31 December

	2008			2007		
	Attributable to shareholders of Rio Tinto US\$m	Outside interests US\$m	Total US\$m	Attributable to shareholders of Rio Tinto US\$m	Outside interests US\$m	Total US\$m
Currency translation adjustment	(4,943)	(411)	(5,354)	1,886	135	2,021
Cash flow hedge fair value gains/(losses)	31	6	37	(201)	(223)	(424)
(Losses)/gains on available for sale securities	(173)	(1)	(174)	49	2	51
Cash flow hedge losses transferred to the income statement	245	107	352	89	76	165
Gains on revaluation of available for sale securities transferred to the income statement	(1)	–	(1)	(16)	–	(16)
Actuarial (losses)/gains on post retirement benefit plans	(1,299)	(20)	(1,319)	135	6	141
Tax recognised directly in equity	299	(36)	263	153	40	193
<b>Net (loss)/income recognised directly in equity</b>	<b>(5,841)</b>	<b>(355)</b>	<b>(6,196)</b>	2,095	36	2,131
<b>Profit after tax for the year</b>	<b>3,676</b>	<b>933</b>	<b>4,609</b>	7,312	434	7,746
<b>Total recognised (loss)/income for the year</b>	<b>(2,165)</b>	<b>578</b>	<b>(1,587)</b>	9,407	470	9,877

## Reconciliation with Australian IFRS

The Group's financial statements have been prepared in accordance with IFRS as adopted by the European Union ('EU IFRS'), which differs in certain respects from the version of IFRS that is applicable in Australia ('Australian IFRS').

Prior to 1 January 2004, the Group's financial statements were prepared in accordance with UK GAAP. Under EU IFRS

goodwill on acquisitions prior to 1998, which was eliminated directly against equity in the Group's UK GAAP financial statements, has not been reinstated. This was permitted under the rules governing the transition to EU IFRS set out in IFRS 1. The equivalent Australian Standard, AASB 1, does not provide for the netting of goodwill against equity. As a consequence,

shareholders' funds under Australian IFRS include the residue of such goodwill, which amounted to US\$752 million at 31 December 2008 (2007: US\$736 million).

Save for the exception described above, the Group's financial statements drawn up in accordance with EU IFRS are consistent with the requirements of Australian IFRS.