

# RioTinto

Summary financial statements  
2008

---

Focusing on  
our strengths



# RioTinto

# 2008

---

## **Rio Tinto is a leading international business**

involved in each stage of metal and mineral production. The Group combines Rio Tinto plc, which is listed on the London Stock Exchange, and Rio Tinto Limited, which is listed on the Australian Securities Exchange. We aim to operate as a seamless organisation that maximises the benefits of standard and shared approaches for every activity.

## **We find, mine and process the Earth's mineral resources**

that fulfil vital consumer needs and improve world living standards. We produce aluminium, copper, diamonds, coal, iron ore, uranium, gold and industrial minerals (borates, titanium dioxide, salt, talc). With production mainly in Australia and North America, we operate in more than 50 countries and employ about 106,000 people.

## **We promote health, safety, and sustainable development**

wherever Rio Tinto operates. The health and safety of our employees, and a contribution to sustainable development, are key priorities. We work as closely as possible with host countries and communities, respecting their laws and customs and ensuring a fair share of benefits and opportunities.

## **The Group's objective is to maximise its value**

and the long term return delivered to shareholders by finding, mining and processing natural resources across the globe. Our proven strategy to achieve this goal is to invest in large, long term, cost competitive mines and businesses.

# 2008 Summary financial statements

The majority of Rio Tinto shareholders choose to receive the *Annual report* with these *Summary financial statements*. The *Summary financial statements* do not allow as full an understanding of the Group as is provided in the *Full financial statements*. The *Annual report* together with the *Full financial*

*statements* comply with Australian and UK statutory requirements. Copies of the *Full financial statements* may be obtained free of charge from the Companies' registrars whose details can be found in Useful addresses on page 180 of the *Annual report*.

## Contents

Summary financial statements	2
Summary income statement	2
Summary balance sheet	3
Reconciliation with Australian IFRS	4
Net earnings and Underlying earnings	4
Summary cash flow statement	5
Summary financial data in Australian dollars, Sterling and US dollars	5
Australian Corporations Act – summary of ASIC relief	6
Independent auditors' statement	7
Rio Tinto financial information by business unit	8

## Summary financial statements

These *Summary financial statements* have been extracted from the *Full financial statements*, which have been reported on by the auditors, and which will be filed with the United Kingdom Registrar of Companies and the Australian Securities and Investments Commission. The auditors'

report of the *Full financial statements* is unqualified and does not contain a statement under either S237(2) or S237(3) of the UK Companies Act 1985. The *Summary financial statements* do not contain sufficient information to allow as full an understanding of the results and affairs of

the Group and parent companies as is provided in the *Full financial statements*. Copies of the 2008 *Annual report* and *Full financial statements* may be obtained from the addresses shown on page 180 of the *Annual report*.

## Summary income statement

Years ended 31 December

	2008 US\$m	2007 US\$m
Gross sales revenue (including share of equity accounted units) (a)	<b>58,065</b>	33,518
<b>Continuing operations</b>		
<b>Consolidated sales revenue</b>	<b>54,264</b>	29,700
Net operating costs (excluding items shown separately)	<b>(37,641)</b>	(20,752)
Impairment charges net of reversals (b)	<b>(8,015)</b>	(58)
Profit on disposal of interests in businesses (c)	<b>2,231</b>	2
Exploration and evaluation costs	<b>(1,134)</b>	(574)
Profit on disposal of interests in undeveloped projects (d)	<b>489</b>	253
<b>Operating profit</b>	<b>10,194</b>	8,571
Share of profit after tax of equity accounted units	<b>1,039</b>	1,584
<b>Profit before finance items and taxation</b>	<b>11,233</b>	10,155
<b>Finance items</b>		
Net exchange (losses)/gains on external debt and intragroup balances	<b>(176)</b>	194
Net (losses)/gains on derivatives not qualifying for hedge accounting	<b>(173)</b>	57
Interest receivable and similar income	<b>204</b>	134
Interest payable and similar charges	<b>(1,618)</b>	(538)
Amortisation of discount	<b>(292)</b>	(166)
	<b>(2,055)</b>	(319)
<b>Profit before taxation</b>	<b>9,178</b>	9,836
<b>Taxation</b>	<b>(3,742)</b>	(2,090)
<b>Profit from continuing operations</b>	<b>5,436</b>	7,746
<b>Discontinued operations</b>		
Loss after tax from discontinued operations (e)	<b>(827)</b>	–
<b>Profit for the year</b>	<b>4,609</b>	7,746
– attributable to outside equity shareholders	<b>933</b>	434
– attributable to equity shareholders of Rio Tinto (Net earnings)	<b>3,676</b>	7,312
<b>Basic earnings/(loss) per share</b>		
Profit from continuing operations (f)	<b>350.8c</b>	568.7c
Loss from discontinued operations (f)	<b>(64.4c)</b>	–
Profit for the year	<b>286.4c</b>	568.7c
<b>Diluted earnings/(loss) per share</b>		
Profit from continuing operations (f)	<b>349.2c</b>	566.3c
Loss from discontinued operations (f)	<b>(64.1c)</b>	–
Profit for the year	<b>285.1c</b>	566.3c
Dividends paid during the year (US\$m)	<b>1,933</b>	1,507
Dividends per share: paid during the year	<b>152.0c</b>	116.0c
Dividends per share: proposed in the announcement of the results for the year	<b>68.0c</b>	84.0c

(a) Gross sales revenue includes the sales revenue of equity accounted units of US\$3,801 million (2007: US\$3,818 million) in addition to Consolidated sales revenue, which relates only to subsidiary companies.

(b) Of the US\$8,015 million included in 'Impairment charges net of reversals', US\$7,341 million relates to the Group's aluminium businesses excluding Alcan Packaging, which is discussed separately in (e) below. Of this amount, US\$6,608 million has been allocated to goodwill.

(c) Gains arising on the disposal of interests in businesses relate principally to sales of the Cortez gold mine and the Greens Creek mine.

(d) Gains arising on the disposal of interests in undeveloped projects are stated net of charges of US\$156 million (2007: nil), related to such projects.

(e) The impairment of the Alcan Packaging business is based on the Group's best estimate of expected proceeds to be realised on sale of Alcan Packaging, less an estimate of remaining costs to sell.

(f) For the purposes of calculating basic earnings per share, the weighted average number of Rio Tinto plc and Rio Tinto Limited shares outstanding during the year was 1,283.5 million (2007: 1,285.8 million), being the average number of Rio Tinto plc shares outstanding of 997.8 million (2007: 1,000.1 million), plus the average number of Rio Tinto Limited

shares outstanding not held by Rio Tinto plc of 285.7 million (2007: 285.7 million). The profit figure used in calculating basic and diluted earnings per share is based on profit attributable to equity shareholders of Rio Tinto.

For the purposes of calculating diluted earnings per share, the effect of dilutive securities is added to the weighted average number of shares. This effect is calculated under the treasury stock method.

# Summary balance sheet

At 31 December

	2008 US\$m	Restated (c) 2007 US\$m
<b>Non current assets</b>		
Goodwill	14,296	21,105
Intangible assets	6,285	6,804
Property, plant and equipment	41,753	41,968
Investments in equity accounted units	5,053	5,744
Loans to equity accounted units	264	267
Inventories	166	178
Trade and other receivables	1,111	1,784
Deferred tax assets	1,367	585
Tax recoverable	220	147
Other financial assets	666	578
	<b>71,181</b>	79,160
<b>Current assets</b>		
Inventories	5,607	5,397
Trade and other receivables	5,401	6,500
Assets held for sale (a)	5,325	7,024
Loans to equity accounted units	251	117
Tax recoverable	406	206
Other financial assets	264	1,042
Cash and cash equivalents	1,181	1,645
	<b>18,435</b>	21,931
<b>Current liabilities</b>		
Bank overdrafts repayable on demand	(147)	(104)
Borrowings	(9,887)	(8,109)
Trade and other payables	(7,197)	(6,532)
Liabilities of disposal groups held for sale (a)	(2,121)	(2,632)
Other financial liabilities	(480)	(932)
Tax payable	(1,442)	(476)
Provisions	(826)	(766)
	<b>(22,100)</b>	(19,551)
<b>Net current (liabilities)/assets</b>	<b>(3,665)</b>	2,380
<b>Non current liabilities</b>		
Borrowings	(29,724)	(38,656)
Trade and other payables	(452)	(487)
Other financial liabilities	(268)	(496)
Tax payable	(450)	(361)
Deferred tax liabilities	(4,054)	(4,912)
Provision for post retirement benefits	(3,601)	(3,233)
Other provisions	(6,506)	(7,102)
	<b>(45,055)</b>	(55,247)
<b>Net assets</b>	<b>22,461</b>	26,293
Equity attributable to Rio Tinto shareholders (b)	20,638	24,772
Attributable to outside equity shareholders	1,823	1,521
<b>Total equity</b>	<b>22,461</b>	26,293


(a) Assets and liabilities held for sale as at 31 December 2008 comprise the Alcan Packaging group. Assets and liabilities held for sale as at 31 December 2007 comprised the Alcan Packaging group and the Tarong Coal mine, which was in the Energy product group. The Tarong mine was sold on 31 January 2008 for an amount in excess of its

carrying value. The Alcan Packaging group was acquired with a view to resale.  
(b) At 31 December 2008, Rio Tinto plc had 998.2 million ordinary shares in issue and held by the public, and Rio Tinto Limited had 285.7 million shares in issue, excluding those held by Rio Tinto plc. Net tangible assets per share as defined by the

ASX amounted to US\$0.04 (2007 restated: US\$2.45 net tangible liabilities).

(c) The 31 December 2007 balance sheet has been restated for the revisions to Alcan's fair value accounting, which was finalised in 2008.

The *Full financial statements* were approved by the directors on 6 March 2009 and signed on their behalf by



**Paul Skinner**  
Chairman



**Tom Albanese**  
Chief executive



**Guy Elliott**  
Finance director

## 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.

## Net earnings and Underlying earnings

	2008 US\$m	2007 US\$m
<b>Underlying earnings</b>	<b>10,303</b>	<b>7,443</b>
<b>Items excluded from Underlying earnings</b>		
Profits less losses on disposal of interests in businesses (a)	<b>1,470</b>	1
Net impairment charges (b)	<b>(7,579)</b>	(113)
Impairment of discontinued operations (b)	<b>(827)</b>	–
Exchange differences and gains/(losses) on derivatives:		
– Exchange gains/(losses) on US dollar net debt and intragroup balances (c)	<b>960</b>	156
– (Losses)/gains on currency and interest rate derivatives not qualifying for hedge accounting (d), (e)	<b>(22)</b>	34
– Losses on commodity derivatives not qualifying for hedge accounting (f)	<b>(95)</b>	–
Other exclusions (g)	<b>(534)</b>	(209)
<b>Net earnings</b>	<b>3,676</b>	<b>7,312</b>

'Underlying earnings' is an alternative measure of earnings, which is reported by Rio Tinto to provide greater understanding of the underlying business performance of its operations. Underlying earnings and Net earnings both represent amounts attributable to Rio Tinto shareholders. Items (a) to (g) below are excluded from Net earnings in arriving at Underlying earnings.

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(a) Gains arising on the disposal of interests in businesses relate principally to the sale of the Cortez gold mine and the Greens Creek mine. Gains arising on the disposal of interests in undeveloped projects are not excluded from Underlying earnings.</p> <p>(b) Charges relating to impairment of goodwill and other non-current assets other than undeveloped projects but including discontinued operations (net amount US\$8,406 million). 2008 includes impairment charges of US\$15 million relating to equity accounted units.</p> <p>(c) Exchange gains and losses on US dollar debt and in intragroup balances. The tax on exchange gains and losses on external debt and intragroup balances includes a benefit of US\$254 million through</p> | <p>recovery of tax relating to prior years. It also includes tax relief for losses on US dollar denominated debt.</p> <p>(d) Valuation changes on currency and interest rate derivatives which are ineligible for hedge accounting, other than those embedded in commercial contracts.</p> <p>(e) The currency revaluation of embedded US dollar derivatives contained in contracts held by entities whose functional currency is not the US dollar.</p> <p>(f) Valuation changes on commodity derivatives, including those embedded in commercial contracts, that are ineligible for hedge accounting, but for which there will be an offsetting change in future Group earnings.</p> | <p>(g) Other credits and charges that, individually, or in aggregate if of a similar type, are of a nature or size to require exclusion in order to provide additional insight into underlying business performance.</p> <p>During 2008, the Group incurred advisory and other costs related to the rejection by the board of the pre-conditional takeover proposal from BHP Billiton which was withdrawn in November. These costs totalled US\$270 million in 2008 and have been excluded from Underlying earnings. Other charges excluded from Underlying earnings comprise costs relating to non-recurring acquisitions, disposals and similar corporate projects.</p> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## Summary cash flow statement

Years ended 31 December

	2008 US\$m	2007 US\$m
<b>Cash flows from consolidated operations</b>	<b>19,195</b>	10,805
Dividends from equity accounted units	1,473	1,764
<b>Cash flows from operations</b>	<b>20,668</b>	12,569
Net interest paid	(1,538)	(489)
Dividends paid to outside shareholders of subsidiaries	(348)	(168)
Tax paid	(3,899)	(3,421)
<b>Net cash generated from operating activities</b>	<b>14,883</b>	8,491
<b>Cash flows from investing activities</b>		
Net disposals/(acquisitions) of subsidiaries, joint ventures & associates	2,563	(37,526)
Purchase of property, plant & equipment and intangible assets	(8,574)	(5,000)
Sales of financial assets	171	49
Purchases of financial assets	(288)	(273)
Other funding of equity accounted units	(334)	(216)
Other investing cash flows	281	224
<b>Cash used in investing activities</b>	<b>(6,181)</b>	(42,742)
<b>Cash flows before financing activities</b>	<b>8,702</b>	(34,251)
<b>Financing activities</b>		
Equity dividends paid to Rio Tinto shareholders	(1,933)	(1,507)
Own shares purchased from Rio Tinto shareholders	–	(1,648)
Proceeds from issue of ordinary shares in Rio Tinto	23	37
Proceeds from issue of ordinary shares in subsidiaries to outside shareholders	72	37
Draw down less repayment of net debt	(6,864)	37,332
	<b>(8,702)</b>	34,251

## Summary financial data in Australian dollars, Sterling and US dollars

2008 A\$m	2007 A\$m	2008 £m	2007 £m		2008 US\$m	2007 US\$m
67,517	39,957	31,218	16,741	<b>Gross sales revenue</b>	58,065	33,518
63,098	35,405	29,174	14,834	<b>Consolidated sales revenue</b>	54,264	29,700
10,672	11,725	4,934	4,913	<b>Profit before taxation from continuing operations</b>	9,178	9,836
6,321	9,234	2,923	3,869	<b>Profit for the year from continuing operations</b>	5,436	7,746
(962)	–	(445)	–	<b>Loss for the year from discontinued operations</b>	(827)	–
4,274	8,717	1,976	3,652	<b>Net earnings attributable to shareholders of Rio Tinto</b>	3,676	7,312
11,980	8,873	5,539	3,718	<b>Underlying earnings (a)</b>	10,303	7,443
407.9c	677.9c	188.6p	284.0p	<b>Basic earnings per ordinary share from continuing operations (c)</b>	350.8c	568.7c
933.4c	690.1c	431.6p	289.1p	<b>Basic Underlying earnings per ordinary share (a),(c)</b>	802.7c	578.9c
170.37c	143.53c	79.38p	58.22p	<b>Dividends per share to Rio Tinto shareholders</b>		
101.48c	93.02c	46.29p	43.13p	– paid	152.0c	116.0c
				– proposed final dividend	68.0c	84.0c
10,119	(40,830)	4,678	(17,107)	<b>Cash flow before financing activities</b>	8,702	(34,251)
(56,046)	(51,353)	(26,856)	(22,709)	<b>Net debt (2007 restated)</b>	(38,672)	(45,191)
29,910	28,214	14,332	12,444	<b>Equity attributable to Rio Tinto shareholders</b>	20,638	24,772

(a) Underlying earnings exclude impairment charges and other net expenses of US\$6,627 million (2007: US\$131 million net expenses), which are analysed on page 4.

(b) The financial data above has been extracted from the summary financial statements.

The Australian dollar and Sterling amounts are based on the US dollar amounts, retranslated at average or closing rates as appropriate, except for the dividends which are the actual amounts payable.

(c) Basic earnings per ordinary share and basic Underlying earnings per ordinary share do not recognise the dilution resulting from share options in issue.

## Australian Corporations Act – summary of ASIC relief

Pursuant to section 340 of the Corporations Act 2001 (“Corporations Act”), the Australian Securities and Investments Commission issued an order dated 27 January 2006 (as amended on 22 December 2006) that granted relief to Rio Tinto Limited from certain requirements of the Corporations Act in relation to the Company’s financial statements and associated reports. The order essentially continues the relief that has applied to Rio Tinto Limited since the formation of the Group’s Dual Listed Companies (“DLC”) structure in 1995. The order applied to Rio Tinto Limited’s financial reporting obligations for financial years and half-years ending between 31 December 2005 and 31 December 2009 (inclusive).

In essence, instead of being required under the Corporations Act to prepare consolidated financial statements covering only itself and its controlled entities, the order allows Rio Tinto Limited to prepare consolidated financial statements in which it, Rio Tinto plc and their respective controlled entities are treated as a single economic entity. In addition, those consolidated financial statements are to be prepared:

- in accordance with the principles and requirements of International Financial Reporting Standards as adopted by the European Union (“EU IFRS”) rather than the Australian equivalents of International Financial Reporting Standards (“AIFRS”) (except for one limited instance in the case of any concise report), and in accordance with United Kingdom financial reporting obligations generally;
- on the basis that the transitional provisions of International Financial Reporting Standard 1 “First-time Adoption of International Financial Reporting Standards” should be applied using the combined financial statements previously prepared for Rio Tinto Limited, Rio Tinto plc and their respective controlled entities under Generally Accepted Accounting Principles in the United Kingdom, under which the DLC merger between Rio Tinto Limited and Rio Tinto plc was accounted for using “merger”, rather than “acquisition”, accounting (reflecting that

neither Rio Tinto Limited nor Rio Tinto plc was acquired by, or is controlled by, the other, and meaning that the existing carrying amounts, rather than fair values, of assets and liabilities at the time of the DLC merger were used to measure those assets and liabilities at formation);

- on the basis that Rio Tinto Limited and Rio Tinto plc are a single company (with their respective shareholders being the shareholders in that single company); and
- with a reconciliation, from EU IFRS to AIFRS, of the following amounts: consolidated profit for the financial year, total consolidated recognised income for the financial year and total consolidated equity at the end of the financial year (see page 4).

Those consolidated financial statements must also be audited in accordance with relevant United Kingdom requirements. Rio Tinto Limited must also prepare a directors’ report which satisfies the content requirements of the Corporations Act (applied on the basis that the consolidated entity for those purposes is the Group), except that the order allows Rio Tinto Limited to prepare a separate Remuneration report that is merely cross-referenced in the directors’ report, instead of including in the Directors’ report the Remuneration report otherwise required by the Corporations Act. The separate Remuneration report (see pages 141 to 157 of the *Annual report*) must include all the information required to be included in a remuneration report under the Corporations Act, as well as the information required by AIFRS (namely, AASB 124 ‘Related Party Disclosures’) dealing with compensation of directors and executives who are “key management personnel”, and certain other disclosures.

Rio Tinto Limited is also required to comply generally with the lodgement and distribution requirements of the Corporations Act (including timing requirements) in relation to those consolidated financial statements (including any concise financial statements), the auditor’s report and the directors’ report. The separate Remuneration report is also

required to be lodged with the Australian Securities and Investments Commission at the same time as the consolidated financial statements, and Rio Tinto Limited must not distribute or make available the Remuneration report without the consolidated financial statements and directors’ report. At the Company’s AGM, it is required to allow shareholders to vote on a non binding resolution to adopt the Remuneration report, on the same basis as would otherwise be required for a Remuneration report under the Corporations Act.

Rio Tinto Limited is not required to prepare separate consolidated financial statements solely for it and its controlled entities. Rio Tinto Limited is required to prepare and lodge parent entity financial statements for itself in respect of each relevant financial year, in accordance with the principles and requirements of AIFRS (other than in respect of key management personnel compensation disclosures under AASB 124, which as noted above are instead incorporated into the separate Remuneration report), and to have those statements audited. Those financial statements are not required to be laid before the Company’s AGM or distributed to shareholders as a matter of course.

- However, Rio Tinto Limited must:
- include in the consolidated financial statements for the Group, as a note, Rio Tinto Limited’s parent entity balance sheet, income statement, statement of changes in equity and statement of cashflows, prepared in accordance with AIFRS; and
  - make available the full parent entity financial statements free of charge to shareholders on request, and also include a copy of them on the Company’s website.

The parent entity financial statements are available for download from the Rio Tinto website at [www.riotinto.com](http://www.riotinto.com). Shareholders may also request a copy free of charge by contacting the Rio Tinto Limited company secretary.

## Independent auditors' statement

### To the members of Rio Tinto plc and Rio Tinto Limited

We have examined the summary financial statements of the Rio Tinto Group, which comprise the Summary income statement, the Summary balance sheet, the Summary cash flow statement, the Reconciliation with Australian IFRS, the note on 'Net earnings and Underlying earnings', the financial information by business unit and the Remuneration report set out on pages 141 to 157 of the accompanying *Annual report* (the '2008 Summary financial statements')

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the 2008 *Summary financial statements* in accordance with applicable law.

Our responsibility is to report to you our opinion on the consistency of the 2008 *Summary financial statements* with the *Full financial statements* and the Remuneration report set out in the *Annual report* and its compliance with the relevant requirements of Section 251 of the United Kingdom Companies Act 1985 and Section 314 of the Australian Corporations Act 2001 as amended by the Australian Securities and Investments Commission order dated 27 January 2006 (as amended on

22 December 2006), and the regulations made thereunder.

We also read the other information contained in the 2008 *Summary financial statements* and consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the summary financial statements. The other information comprises the Summary financial data in Australian dollars, Sterling and US dollars and the note 'Australian Corporations Act – summary ASIC relief' and the following sections of the *Annual report*: the *Chairman's statement*, the *Directors' report*, the unaudited portion of the *Remuneration report*, *Group financial performance*, the *Financial review*, the *Corporate governance statement* and all other information listed on the Contents page.

This statement, including the opinion, has been prepared for and only for each company's members as a body in accordance with Section 251 of the United Kingdom Companies Act 1985 (in respect of Rio Tinto plc) and Section 314 of the Australian Corporations Act 2001 as amended by the Australian Securities and Investments Commission order dated 27 January 2006 (as amended on 22 December 2006) (in respect of Rio Tinto Limited) and for no other purpose. We do not, in giving this opinion,

accept or assume responsibility for any other purpose or to any other person to whom this statement is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Basis of opinion

We conducted our work in accordance with Bulletin 1999/6, 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board for use in the United Kingdom. Our report on the Rio Tinto Group's full annual financial statements describes the basis of our audit opinions on those financial statements and the *Remuneration report*.

### Opinion

In our opinion the 2008 *Summary financial statements* are consistent with the *Full financial statements* and the *Remuneration report* of the Rio Tinto Group for the year ended 31 December 2008 and comply with the applicable requirements of Section 251 of the United Kingdom Companies Act 1985 and Section 314 of the Australian Corporations Act 2001 as amended by the Australian Securities and Investments Commission order dated 27 January 2006 (as amended on 22 December 2006), and the regulations made thereunder.

### PricewaterhouseCoopers LLP

Chartered Accountants &  
Registered Auditors  
London  
6 March 2009  
in respect of the members of  
Rio Tinto plc

### Robert Hubbard

Partner

### PricewaterhouseCoopers

Brisbane  
6 March 2009  
in respect of the members of  
Rio Tinto Limited

Liability limited by a scheme approved  
under Professional Standards Legislation

# Rio Tinto financial information by business unit

Years ended 31 December

	Rio Tinto interest %	Gross revenue (a)		Net earnings (b)	
		2008 US\$m	2007 US\$m	2008 US\$m	2007 US\$m
<b>Iron Ore</b>					
Hammersley Iron (including Hlsmelt®) (c)	100.0	11,006	6,155	4,642	2,151
Robe River (d)	53.0	2,728	1,640	1,062	503
Iron Ore Company of Canada	58.7	2,065	943	443	104
Rio Tinto Brasil	100.0	176	61	44	(12)
Dampier Salt	68.4	377	269	40	13
Product group operations		16,352	9,068	6,231	2,759
Evaluation projects/other		175	125	(214)	(95)
		16,527	9,193	6,017	2,664
<b>Aluminium</b>					
Product group operations	(e)	23,795	7,309	1,255	1,119
Evaluation projects/other		44	50	(71)	(22)
		23,839	7,359	1,184	1,097
<b>Copper &amp; Diamonds</b>					
Kennecott Utah Copper	100.0	2,609	3,539	998	1,649
Escondida	30.0	2,402	3,103	836	1,525
Grasberg joint venture	(f)	53	461	4	159
Palabora	57.7	560	689	49	58
Kennecott Minerals	100.0	81	338	31	106
Northparkes	80.0	124	371	(12)	137
Diamonds	(g)	840	1,020	137	280
Product group operations		6,669	9,521	2,043	3,914
Evaluation projects/other		–	–	(285)	(163)
		6,669	9,521	1,758	3,751
<b>Energy &amp; Minerals</b>					
RTEA	100.0	1,869	1,560	147	132
Rio Tinto Coal Australia	(h)	5,142	2,272	1,721	246
Rössing	68.6	548	486	101	95
Energy Resources of Australia	68.4	418	303	141	38
Rio Tinto Iron and Titanium	(i)	1,919	1,673	295	164
Rio Tinto Minerals	(j)	1,061	965	86	71
Product group operations		10,957	7,259	2,491	746
Evaluation projects/other		41	144	396	(59)
		10,998	7,403	2,887	687
<b>Other operations</b>					
		44	55	(52)	15
		58,077	33,531	11,794	8,214
Other items		(12)	(13)	(337)	(526)
Exploration and evaluation				(124)	20
Net interest				(1,030)	(265)
<b>Underlying earnings</b>				10,303	7,443
Items excluded from underlying earnings				(6,627)	(131)
<b>Total</b>		<b>58,065</b>	<b>33,518</b>	<b>3,676</b>	<b>7,312</b>

Business units have been classified according to the Group's management structure. Generally, this structure has regard to the primary product of each business unit but there are exceptions. For example, the Copper group includes certain gold operations.

The following changes have been made to the way Rio Tinto presents its financial information by business unit during 2008.

Industrial Minerals was combined with Energy to form the Energy & Minerals product group.

Diamonds was combined with Copper to form the Copper & Diamonds product group.

Dampier Salt was reclassified from the Minerals product group to the Iron Ore product group.

Information for 2007 has been reclassified accordingly.

(a) Gross sales revenue includes 100 per cent of subsidiaries' sales revenue and the Group's share of the sales revenue of equity accounted units.

(b) Net earnings represent profit after tax for the year attributable to the Rio Tinto Group. Earnings of subsidiaries are stated before finance items but after the amortisation of the discount related to

provisions. Earnings attributable to equity accounted units include interest charges and amortisation of discount. Earnings attributed to business units do not include amounts that are excluded in arriving at Underlying earnings.

(c) Includes Rio Tinto's interests in Hammersley Iron (100 per cent) and Hlsmelt (60 per cent).

(d) The Group holds 65 per cent of Robe River Iron Associates, of which 30 per cent is held through a 60 per cent owned subsidiary. The Group's net beneficial interest is therefore 53 per cent, net of amounts attributable to outside equity shareholders.

## Rio Tinto financial information by business unit (continued)

	Capital expenditure (k)		Operating assets (l)	
	2008 US\$m	2007 US\$m	2008 US\$m	2007 US\$m
<b>Iron Ore</b>				
Hammersley Iron (including Hlsmelt®) (c)	1,860	1,597	5,170	6,133
Robe River (d)	683	241	1,622	1,877
Iron Ore Company of Canada	256	163	482	869
Rio Tinto Brasil	146	30	207	135
Dampier Salt	27	20	154	273
Other	24	34	(3)	24
	<b>2,996</b>	<b>2,085</b>	<b>7,632</b>	<b>9,311</b>
<b>Aluminium</b>	<b>2,671</b>	<b>612</b>	<b>35,730</b>	<b>43,885</b>
<b>Copper &amp; Diamonds</b>				
Kennecott Utah Copper	316	282	1,750	1,694
Escondida	120	170	849	1,045
Grasberg joint venture	32	76	426	410
Palabora	40	27	123	84
Kennecott Minerals	71	84	30	236
Northparkes	105	55	187	151
Diamonds	652	525	1,340	1,241
Other	132	22	831	498
	<b>1,468</b>	<b>1,241</b>	<b>5,536</b>	<b>5,359</b>
<b>Energy &amp; Minerals</b>				
RTEA	204	226	1,090	1,163
Rio Tinto Coal Australia	449	226	1,134	1,755
Rössing	73	57	229	151
Energy Resources of Australia	144	80	212	296
Rio Tinto Iron and Titanium	563	494	2,122	2,202
Rio Tinto Minerals	63	51	792	892
Other	5	17	60	58
	<b>1,501</b>	<b>1,151</b>	<b>5,639</b>	<b>6,517</b>
<b>Other operations</b>	<b>192</b>	<b>37</b>	<b>560</b>	<b>139</b>
Net assets held for sale (m)	–	–	3,204	4,392
Other items	151	144	1,009	360
Less: equity accounted units	(491)	(302)	–	–
<b>Total</b>	<b>8,488</b>	<b>4,968</b>	<b>59,310</b>	<b>69,963</b>
Less: Net debt			<b>(38,672)</b>	<b>(45,191)</b>
<b>Equity attributable to Rio Tinto shareholders</b>			<b>20,638</b>	<b>24,772</b>

(e) Includes the Alcan group, excluding Packaging which is shown as an 'Asset Held for Sale', acquired in 2007 together with the aluminium business previously owned by Rio Tinto.

(f) Under the terms of a joint venture agreement, Rio Tinto is entitled to 40 per cent of additional material mined as a consequence of expansions and developments of the Grasberg facilities since 1998.

(g) Diamonds includes Rio Tinto's interests in Argyle (100 per cent), Diavik (60 per cent) and Murowa (77.8 per cent).

(h) Includes Rio Tinto's 75.7 per cent interest in Coal and Allied, which is managed by Rio Tinto Coal Australia, a 100 per cent subsidiary of Rio Tinto. The Group owns a 40 per cent interest in Bengalla

and 80 per cent interest in Mount Thorley through 75.71 per cent investment in Coal and Allied, giving a beneficial interest to the Group of 30.3 per cent and 60.6 per cent, respectively.

(i) Includes Rio Tinto's interests in QIT (100 per cent) and Richards Bay Iron and Titanium (Pty) Limited (50 per cent).

(j) Includes Rio Tinto's interests in Rio Tinto Borax (100 per cent) and Luzenac Talc (100 per cent).

(k) Capital expenditure comprises the net cash outflow on purchases less disposals of property, plant and equipment, capitalised evaluation costs and purchases less disposals of other intangible assets. The details provided include 100 per cent of subsidiaries' capital expenditure and Rio Tinto's share of the capital expenditure of equity accounted

units. Amounts relating to equity accounted units not specifically funded by Rio Tinto are deducted before arriving at total capital expenditure for the Group.

(l) Operating assets of subsidiaries comprise net assets before deducting net debt, less outside shareholders' interests which are calculated by reference to the net assets of the relevant companies (i.e. net of such companies' debt). For equity accounted units, Rio Tinto's net investment is shown.

(m) On this line, operating assets deal with Alcan Packaging and other assets held for sale. The remaining data on this line relates only to Alcan Packaging.

Designed by Tor Pettersen & Partners

Printed in England by Park Communications on FSC certified paper.

Park is a CarbonNeutral® company and its Environmental Management System is certified to ISO14001:2004.

100 per cent of the electricity used is generated from renewable sources. 100 per cent of the inks used are vegetable oil based, 95 per cent of press chemicals are recycled for further use and on average 99 per cent of any waste associated with this production will be recycled.

This document is printed on ERA Silk, a paper made using 50 per cent recycled fibre and 50 per cent virgin fibre sourced from FSC certified forests.

Printed in Australia by Blue Star Print.

© Rio Tinto plc and Rio Tinto Limited.



**Mixed Sources**

Product group from well-managed forests and recycled wood or fiber  
www.fsc.org Cert no. SGS-COC-2842  
© 1996 Forest Stewardship Council

# RioTinto

Summary financial statements  
2008

