
RIO TINTO WESTERN HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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RIO TINTO WESTERN HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS

U Quellmann
E B Evans
M D Andrewes
P L Cunningham

COMPANY SECRETARY

H C Day

REGISTERED NUMBER

00007132

REGISTERED OFFICE

6 St James's Square
London
SW1Y 4AD

AUDITOR

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

RIO TINTO WESTERN HOLDINGS LIMITED

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RIO TINTO WESTERN HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

RESULTS AND DIVIDENDS

An impairment charge of \$737,000,000 was booked relating to an investment in Rio Tinto Peru Limited. The loss for the year, after taxation, amounted to \$339,518,000 (2013 - profit \$36,588,000).

Interim dividends of \$nil (2013 - \$1,370,000,000) were paid during the year. The directors do not recommend the payment of a final dividend (2013 - nil).

DIRECTORS

The directors who served during the year and to the date of this report were:

D S Larsen (resigned 31 March 2014)
U Quellmann
E B Evans
M D Andrewes
P L Cunningham (appointed 1 April 2014)

No director had a material interest in any contract or arrangement during the year to which the Company or any subsidiary is or was a party.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report, strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RIO TINTO WESTERN HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

EVENTS SINCE THE END OF THE YEAR

On 18 June 2015, the Company subscribed for 85,000,000 shares of \$1 each in Rio Tinto Peru Limited.

FUTURE DEVELOPMENTS

The Company's future developments are integrated with those of the Group which are discussed in its 2014 Annual Report which does not form part of this report.

INDEMNITIES AND INSURANCE

The Articles of Association of the Company's ultimate parent, Rio Tinto plc, provides for it to indemnify, to the extent permitted by law, its officers and officers of wholly owned subsidiaries against liabilities arising from the conduct of the Rio Tinto Group's business. The directors and the company secretary of Rio Tinto plc and certain employees serving as directors of certain subsidiaries, at the Group's request, have been indemnified in accordance with these provisions. Ms Evans was indemnified by Rio Tinto plc in September 2013 by virtue of her office as Secretary. The other current directors of the company were indemnified by Rio Tinto plc in June 2014 by virtue of their directorships of the finance companies wholly owned by Rio Tinto plc. No amount has been paid under any of these indemnities during the year.

The Group has purchased directors' and officers' insurance during the year to indemnify individual directors' and officers' personal legal liability and costs for claims arising out of actions taken in connection with the Group's business.

DISCLOSURE OF INFORMATION TO AUDITOR

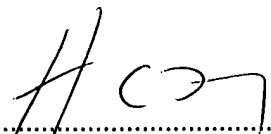
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.


.....
H C Day
Secretary

Date: 28 August 2015

6 St James's Square
London
SW1Y 4AD

RIO TINTO WESTERN HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

INTRODUCTION

Rio Tinto Western Holdings Limited (the "Company") is a wholly owned subsidiary of Rio Tinto European Holdings Limited and a member of the Rio Tinto Group (the "Group"). The Company is an investment holding company for the Group.

BUSINESS REVIEW

The Company's results from year to year are highly sensitive to the timing of dividend flows and of movements in provisions for impairment, and do not necessarily reflect the performance of its group undertakings.

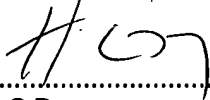
PRINCIPAL RISKS AND UNCERTAINTIES

The Company's principal risks and uncertainties are integrated with those of the Group and are not managed separately. The Group's risk factors and policies for financial risk management are also discussed in its 2014 Annual Report which does not form part of this report.

PERFORMANCE INDICATORS

The Company's directors are of the opinion that there are no meaningful financial or non financial key performance indicators that would be necessary or appropriate for an understanding of the development, performance or position of the Company's activities.

This report was approved by the board on 28 August 2015 and signed on its behalf.


.....
H C Day
Secretary

RIO TINTO WESTERN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RIO TINTO WESTERN HOLDINGS LIMITED

We have audited the financial statements of Rio Tinto Western Holdings Limited for the year ended 31 December 2014, which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Director's report and Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

RIO TINTO WESTERN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RIO TINTO WESTERN HOLDINGS LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Grant Thornton UK LLP

Richard Hagley (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants
London

Date: *28 August 2015*

RIO TINTO WESTERN HOLDINGS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 \$000	2013 \$000
INVESTMENT INCOME	1,2	400,000	386,000
Operating costs		<u>(3,055)</u>	<u>(3,183)</u>
OPERATING PROFIT	3	396,945	382,817
Interest receivable	5	587	321
Amounts written off investments	8	(737,000)	(345,348)
Interest payable	6	<u>(50)</u>	<u>(1,202)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(339,518)	36,588
Tax on (loss)/profit on ordinary activities	7	<u>-</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	13	<u><u>(339,518)</u></u>	<u><u>36,588</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 8 to 16 form part of these financial statements.

RIO TINTO WESTERN HOLDINGS LIMITED
REGISTERED NUMBER: 00007132

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	\$000	2014 \$000	2013 \$000
FIXED ASSETS				
Investments	8		7,763,471	7,362,033
CURRENT ASSETS				
Debtors	10	211,122		550,834
CREDITORS: amounts falling due within one year	11	(2,309)		(2,504)
NET CURRENT ASSETS			208,813	548,330
NET ASSETS			7,972,284	7,910,363
CAPITAL AND RESERVES				
Called up share capital	12		45,342	44,192
Share premium account	13		7,358,603	6,958,314
Capital reserve	13		1,107,914	1,107,914
Other reserves	13		131,749	131,749
Profit and loss account	13		(671,324)	(331,806)
SHAREHOLDERS' FUNDS	14		7,972,284	7,910,363

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
M D Andrewes
 Director

Date: 28 August 2015

The notes on pages 8 to 16 form part of these financial statements.

RIO TINTO WESTERN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards. The directors have reviewed going concern and have concluded that the use of the going concern basis of accounting is appropriate. The directors have considered activities and future plans, and the particular business risks that might arise that could threaten the appropriateness of adopting the going concern basis of accounting. There are no material uncertainties relating to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern.

The directors have reviewed the Company's existing accounting policies and consider that they are suitable. The principal accounting policies have been consistently applied.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

1.2 Cash flow

The Company, being a subsidiary undertaking where 90 per cent or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1 Cash flow statements.

1.3 Investment income

Income from investments is recognised when the right to receive payment is established. Dividends from subsidiary undertakings registered overseas are presented inclusive of any overseas withholding tax.

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future cash flows of the relevant cash generating unit or disposal value if higher. The discount rate applied is based upon the Company's weighted average cost of capital, with appropriate adjustment for the risks associated with the relevant unit.

Impairments of investments in subsidiaries carrying exploration and evaluation projects follow the Group's treatment of the capitalisation of exploration and evaluation expenditures which is to capitalise expenses only when there is a degree of confidence in the projects viability and hence it is probable that future economic benefits will flow.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indications exist, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss for the year.

RIO TINTO WESTERN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is recognised in respect of the retained earnings of an overseas subsidiary, associate or joint venture only to the extent that there is a commitment to remit the earnings.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.6 Presentation currency

The principal currency affecting the Company's operations is the US dollar, and all financing provided to and by the Company is denominated in the US dollar. Accordingly, the directors regard the US dollar as the principal currency affecting the Company's own cashflows. As a result, the financial statements are presented in US dollars. The year end exchange rate was US\$1.56:£1 (2013 - US\$1.65: £1).

1.7 Taxation

The Company does not pay for, or receive payment for, any group relief claimed from, or surrendered to, other Group companies.

Withholding taxes incurred on the receipt of interest and dividends from overseas group companies are presented as part of the taxation charge in the profit and loss account.

1.8 Reporting format

The Company acts as an investment holding company, and hence the dividends received from investee companies and any impairment provisions against investments are presented as operating items.

1.9 Interest

Interest is accounted for on an accruals basis. Interest receivable from subsidiary undertakings registered overseas is presented inclusive of any overseas withholding tax.

1.10 Dividends

Final dividends are recognised when the obligation to make payment is established. Interim dividends are recognised when paid.

2. INVESTMENT INCOME

All investment income arose from the Americas (2013 - the Americas).

RIO TINTO WESTERN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

3. OPERATING PROFIT

The auditors' remuneration of \$7,138 (2013 - \$6,706) is borne by a fellow Group undertaking.

4. STAFF COSTS

The Company has no employees (2013 - nil). The directors did not receive any remuneration (2013 - \$nil).

5. INTEREST RECEIVABLE

	2014 \$000	2013 \$000
Interest receivable from group undertakings	587	321

6. INTEREST PAYABLE

	2014 \$000	2013 \$000
Interest payable to group undertakings	50	1,202

7. TAXATION

	2014 \$000	2013 \$000
UK corporation tax charge on (loss)/profit for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - lower than) the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%). The differences are explained below:

	2014 \$000	2013 \$000
(Loss)/profit on ordinary activities before tax	(339,518)	36,588
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	(72,973)	8,507
Effects of:		
Non-tax deductible impairment of investments	158,405	80,293
Non-taxable income	(85,973)	(89,745)
Group relief	541	945
Current tax charge for the year	-	-

RIO TINTO WESTERN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

7. TAXATION (continued)

Factors that may affect future tax charges

Reductions to the main rate of UK corporation tax, to 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015, were substantively enacted on 2 July 2013.

8. FIXED ASSET INVESTMENTS

	Investments in subsidiary undertakings \$000
Cost or valuation	
At 1 January 2014	7,718,381
Additions	1,539,877
Disposals	(401,439)
At 31 December 2014	8,856,819
Impairment	
At 1 January 2014	356,348
Charge for the year	737,000
At 31 December 2014	1,093,348
Net book value	
At 31 December 2014	7,763,471
At 31 December 2013	7,362,033

The principal subsidiaries are shown in Note 9.

RIO TINTO WESTERN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

9. PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

a. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Rio Tinto Peru Limited	England and Wales	100	Investment Holding - Ordinary shares US\$1.00
Rio Tinto America Holdings Inc.	USA	56.3	Investment Holding - Common shares US\$0.01
		43.7	Investment Holding - Series A preferred stock US\$100
Rio Tinto Escondida Limited	Bermuda	100	Investment Holding - Ordinary shares US\$1.00

b. Indirect subsidiaries

Company name	Country	Percentage Shareholding	Description
Alcan Corporation	USA	100	Investment Holding - Ordinary shares US\$0.01
Alcan Primary Products Corporation	USA	100	Investment Holding - Ordinary shares US\$0.01
Alcan Primary Products Company LLC	USA	100	Aluminium production - Units
Henlopen Manufacturing Co., Inc	USA	100	Manufacturing - Ordinary shares US\$100.00
Pechiney Metals LLC	USA	100	Investment Holding
Alcan International Network USA Inc	USA	92.9	Investment Holding - Ordinary shares
Pechiney Bécancour, Inc.	USA	92.9	Manufacturer - Ordinary shares US\$1.00
Pechiney Sales Corporation	USA	92.9	Aluminium sales - Ordinary shares US\$1.00
Pechiney Holdings, Inc.	USA	92.9	Investment Holding - Ordinary shares US\$1.00
Howmet Insurance Company, Inc.	USA	100	Insurance - Ordinary shares US\$1.00
Pechiney Cast Plate, Inc.	USA	100	Dormant - Ordinary shares US\$1.00
Pechiney Plastic Packaging, Inc.	USA	100	Dormant - Ordinary shares
High Purity Iron Inc.	USA	100	Minerals business - Common shares US\$1.00
Kennecott Holdings Corporation	USA	100	Investment Holding - Common shares US\$0.01
Kennecott Barneys Canyon Mining Company	USA	100	Mining - Common shares US\$0.01
Kennecott Exploration Company	USA	100	Exploration - Common shares US\$0.01
Minera Kennecott, S.A. de C.V.	Mexico	100	Exploration - Series B MXN1.00
Union Creek Ranch LLC	USA	100	Property
Kennecott Molybdenum Company	USA	100	Minerals Producer - Common shares US\$0.01
Kennecott Utah Copper LLC	USA	100	Mining - Units
Kennecott Land Company	USA	100	Investment Holding - Common shares US\$0.01
Daybreak Development Company	USA	100	Property - Common shares US\$0.01

RIO TINTO WESTERN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

9. PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (continued)

b. Indirect subsidiaries (continued)

Company name	Country	Percentage Shareholding	Description
Daybreak Property Holdings LLC	USA	100	Property
Daybreak Secondary Water Distribution Company	USA	50	Irrigation water - Common shares US\$0.01
DB Medical I LLC	USA	100	Property - Units
DBVC1 LLC	USA	100	Property
Daybreak Secondary Water Distribution Company	USA	51	Utility distribution - Common shares US\$0.01
Kennecott Land Investment Company LLC	USA	100	Investment holding
Daybreak Water Holding Company	USA	100	Utilities management - Common shares US\$0.01
Rio Tinto AuM Company	USA	100	Investment Holding - Common shares US\$0.01
Eastland Management Inc.	USA	100	Legacy management - Common shares US\$1.00
Flambeau Mining Company	USA	100	Legacy management - Common shares US\$0.01
Kennecott Nevada Copper Company	USA	100	Legacy management- Common shares US\$0.01
Kennecott Ridgeway Mining Company	USA	100	Legacy management - Common shares US\$1.00
Kennecott Royalty Company	USA	100	Legacy management - Common shares US\$100
Sohio Western Mining Company	USA	100	Legacy management - Common shares US\$100
The Pyrites Company, Inc.	USA	100	Legacy management - Common shares US\$1.00
Waste Solutions and Recycling LLC	USA	100	Legacy management - Units
Kennecott Management Services Company	USA	100	Investment Holding - Common shares US\$0.01
Kennecott Services Company	USA	100	Services - Common shares US\$0.01
Kennecott Uranium Company	USA	100	Investment Holding - Ordinary shares US\$0.01
Resolution Copper Company	USA	100	Exploration - Common shares US\$0.01
Integrity Land and Cattle LLC	USA	100	Livestock/property
Resolution Copper Mining LLC	USA	55	Investment Holding
Magma Arizona Railroad Company	USA	55	Investment Holding - Common shares US\$100
Swift Current Land & Cattle LLC	USA	100	Investment Holding
Rio Tinto Energy America Inc.	USA	100	Investment Holding - Common shares US\$0.01
Rio Tinto Hydrogen Energy LLC	USA	100	Energy project
Rio Tinto Minerals Inc	USA	100	Investment Holding - Common shares \$0.01
U.S. Borax Inc	USA	100	Mining - Common shares US\$0.10
Pacific Coast Mines, Inc	USA	100	Mining - Common shares US\$1.00

RIO TINTO WESTERN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

9. PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (continued)

b. Indirect subsidiaries (continued)

Company name	Country	Percentage Shareholding	Description
Skymont Corporation	USA	100	Investment Holding - Common shares
Rio Tinto Mining and Exploration Inc.	USA	100	Investment Holding - Common shares US\$1.00
Rio Tinto Desenvolimentos Minerais Ltda	Brazil	100	Exploration - Quotas
Rio Tinto Nickel Company	USA	100	Investment Holding - Common shares US\$0.01
Rio Tinto Services Inc.	USA	100	Dormant - Quotas
Rio Tinto America Inc.	USA	100	Investment Holding - Common shares US\$100
Rio Tinto Services Inc.	USA	100	Shared services - Common shares US\$0.01
Rio Tinto Technological Resources Inc.	USA	100	Investment Holding - Common shares US\$0.01
Wyoming Coal Resources Company	USA	100	Investment Holding - Common shares US\$0.01
Three Crowns Insurance Company Limited	Bermuda	100	Insurance - Common shares £1.00
Rio Tinto Minera Peru Limitada SAC	Peru	100	Exploration - Ordinary shares PEN100.00
CIA. Inmobiliaria e Inversiones Cosmos S.A.C.	Peru	100	Investment Holding - Ordinary shares PEN1000.00
Compania de Transmision Sierraoriente S.A.C.	Peru	100	Investment Holding - Ordinary shares PEN1000.00

10. DEBTORS

	2014 \$000	2013 \$000
Amounts owed by group undertakings	211,122	550,834

The above receivables are interest bearing and are repayable on demand (2013 - all amounts were interest-bearing).

11. CREDITORS

	2014 \$000	2013 \$000
Amounts owed to group undertakings	2,309	2,504

RIO TINTO WESTERN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

12. SHARE CAPITAL

	2014 \$000	2013 \$000
Allotted, called up and fully paid		
30,000,000 (2013 - 30,000,000) Ordinary shares of £1 each	43,400	43,400
1,841,644 (2013 - 691,644) Ordinary shares of \$1 each	1,942	792
	<u>45,342</u>	<u>44,192</u>

On 30 June 2014 Rio Tinto European Holdings Limited subscribed for 1,150,000 ordinary shares of US\$1.00 each in the Company.

13. RESERVES

	Share premium account \$000	Capital reserve \$000	Other reserves \$000	Profit and loss account \$000
At 1 January 2014	6,958,314	1,107,914	131,749	(331,806)
Loss for the financial year				(339,518)
Premium on shares issued during the year	400,289			
At 31 December 2014	<u>7,358,603</u>	<u>1,107,914</u>	<u>131,749</u>	<u>(671,324)</u>

The accumulated loss of \$671,324,000 (2013 - \$331,806,000) includes cumulative investment impairments since 2010 of \$1,093,348,000 at 31 December 2014 (2013 - \$356,348,000). The directors consider the value of the remaining investments in subsidiaries exceeds book value and, as permitted by Companies Act 2006 S841, diminutions in the value of fixed asset investments since 2010 have been treated as unrealised losses to the extent of the unrecognised value. Accordingly, this part of the overall impairment provision does not impact the distributable reserves of the Company.

In 2000, the Company's share capital was translated into US Dollars at the exchange rate in force when the US Dollar became the functional currency. The resulting currency translation adjustment has been included in the other reserves.

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 \$000	2013 \$000
Opening shareholders' funds	7,910,363	9,243,775
(Loss)/profit for the financial year	(339,518)	36,588
Dividends (Note 15)	-	(1,370,000)
Shares issued during the year	1,150	-
Share premium on shares issued (net of expenses)	400,289	-
Closing shareholders' funds	<u>7,972,284</u>	<u>7,910,363</u>

RIO TINTO WESTERN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

15. DIVIDENDS

	2014 \$000	2013 \$000
Ordinary dividends declared and paid during the year	-	1,370,000

16. RELATED PARTY TRANSACTIONS

The Company is exempt under FRS 8 Related party disclosures from disclosing related party transactions between two or more members of a group, as all subsidiaries which are party to the transactions are wholly-owned by the group.

17. POST BALANCE SHEET EVENTS

On 18 June 2015, the Company subscribed for 85,000,000 shares of \$1 each in Rio Tinto Peru Limited.

18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Rio Tinto European Holdings Limited. The ultimate parent undertaking and controlling party is Rio Tinto plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Rio Tinto plc consolidated financial statements can be obtained from 6 St James's Place, London, SW1Y 4AD, or from the Rio Tinto website at www.riotinto.com.