

Company Number: 883375

RIO TINTO ALUMINIUM HOLDINGS LIMITED

ANNUAL REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 1999



**RIO TINTO ALUMINIUM HOLDINGS LIMITED**

**DIRECTORS**

J C A Leslie (appointed 17 June 1999)

R C Shaw (Managing Director)

R Adams

**SECRETARY**

B G Gale

**REGISTERED OFFICE**

6 St James's Square  
London SW1Y 4LD

**AUDITORS**

PricewaterhouseCoopers  
1 Embankment Place  
London WC2N 6NN

**RIO TINTO ALUMINIUM HOLDINGS LIMITED**

**NOTICE OF MEETING**


NOTICE IS HEREBY GIVEN that the thirty-third Annual General Meeting of Rio Tinto Aluminium Holdings Limited will be held at 6 St James's Square, London on 16 March 2000 for the following purposes:

- 1 To receive and, if approved, adopt the Directors' Report and Accounts for the year ended 31 December 1999.
- 2 To declare a dividend on the ordinary shares.
- 3 To re-appoint the auditors.
- 4 To transact any other ordinary business of the Company.

**NOTE**

A member of the Company who is entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll, vote instead of him. A proxy need not also be a member of the Company.

By order of the board

  
Secretary

6 St James's Square  
London SW1Y 4LD

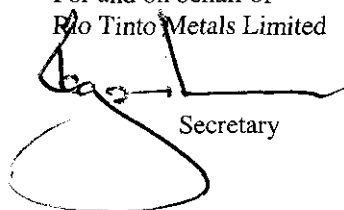
16 March 2000

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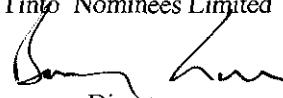
**CONSENT TO SHORT NOTICE**

We, the undersigned, being registered as the holders of the entire issued capital of the above company, hereby consent to the Annual General Meeting being held at the date and time specified in the above notice, notwithstanding that less than twenty-one days' notice has been given of the meeting.

For and on behalf of  
Rio Tinto Metals Limited

  
Secretary

For and on behalf of  
Rio Tinto Nominees Limited

  
Director

## RIO TINTO ALUMINIUM HOLDINGS LIMITED

### REPORT OF THE DIRECTORS

The directors submit their report and the audited accounts for the year ended 31 December 1999.

#### PRINCIPAL ACTIVITY

The principal activity of the Company is acting as a holding company for the Rio Tinto Group's primary aluminium and alumina interests in the UK.

Details of the principal subsidiary undertakings at 31 December 1999 are given on page 12.

#### REVIEW OF THE BUSINESS

Dividend income was lower than in 1998 despite a rise in the sterling equivalent of aluminium prices quoted on the London Metal Exchange. Prospects for 2000 are largely dependent on these prices.

#### RESULTS AND DIVIDENDS

The results of the Company for the year are set out on page 8.

Profit for the financial year after taxation was £9,460,000 (1998 - £10,890,000).

An interim dividend of £2,900,000 was paid on 22 October 1999 (1998 - £5,760,000). The directors recommend the payment of a final dividend of £6,700,000 (1997 - £5,000,000).

The retained loss for the year after dividends was £140,000 (1998 -retained profit of £130,000).

#### DIRECTORS

The names of the directors in office at the date of this report are shown on page 2. The following director also held office during the year:

J F O'Reilly - resigned 17 June 1999

#### DIRECTORS' INTERESTS

The directors who held office on 31 December 1999 and whose interests are not reported in the accounts of a parent company had the following interests in the ordinary shares of Rio Tinto plc, the ultimate parent company, as recorded in the register required to be kept by section 325 of the Companies Act 1985:-

##### Ordinary shares of 10p each of Rio Tinto plc

	<u>1 January 1999</u>	<u>31 December 1999</u>
R C Shaw	18,872	16,660

Options on ordinary shares of 10p each of Rio Tinto plc<sup>(1)</sup>

	<u>1 January 1999</u>	<u>Granted</u>	<u>Exercised</u>	<u>31 December 1999</u>
R C Shaw	21,648	8,772	-	30,420

Long term incentive plans<sup>(2)</sup>

Ordinary shares of 10p each  
of Rio Tinto plc

	<u>1 January 1999</u>	<u>31 December 1999</u>
R C Shaw	8,217	5,491

- (1) Options cancelled during the year are not shown above and as such the options figure for the year end will not necessarily be equal to the sum of the opening figure and the options granted, less the options exercised.
- (2) This represents the maximum number of shares in Rio Tinto plc that may be awarded to the directors at a future date as a result of their participation in the FTSE Plan and the Mining Companies Comparative Plan. For further information regarding Rio Tinto's long-term incentive plans, including the FTSE Plan, the Mining Companies Comparative Plan and the Mining Plan, please see the Rio Tinto Group accounts.

The directors are also deemed to have an interest in a trust fund containing 315,395 Rio Tinto ordinary shares at 31 December 1999 (1 January 1999 – 379,367 shares) as potential beneficiaries, together with other Rio Tinto Group employees.

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.

POLICY REGARDING PAYMENT OF TRADE CREDITORS

It is the Company's policy to abide by terms of payment agreed with suppliers. In many cases, the terms of payment are as stated in the supplier's own literature. In other cases, the terms of payment are determined by specific written or oral agreement. The Company does not follow any published code or standard on payment practice. The Company had no trade creditors at 31 December 1999.

YEAR 2000

The Company completed its preparations for the Year 2000 computer risk during 1999. As far as the directors are aware, the Company has experienced no disruption to its operations or significant impairment of its assets due to the Year 2000 problem. Also, the directors believe that there is no further exposure to significant risks or uncertainties associated with the Year 2000 issue.

The total cost of modifying relevant computer systems has been absorbed by Rio Tinto London Limited, so this Company has not incurred any such costs.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by UK company law to prepare accounts for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for that period. In preparing the accounts, which have been prepared on a going concern basis, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. Applicable accounting standards have been followed. The directors are responsible for maintaining proper accounting records, in accordance with the Companies Act 1985, for safeguarding the assets of the Company, and for taking reasonable steps to prevent and detect fraud and other irregularities.

ANNUAL GENERAL MEETING

Notice convening the thirty-third annual general meeting of members is attached.

AUDITORS

PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution to re-appoint them will be proposed at the next annual general meeting.

By order of the board

A handwritten signature in black ink, appearing to read 'D. L. Lee', written over the printed title 'Secretary'.

Secretary

16 June 2000

**AUDITORS' REPORT TO THE MEMBERS OF  
RIO TINTO ALUMINIUM HOLDINGS LIMITED LTD**

We have audited the accounts on pages 8 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors are responsible for preparing the Annual Report. As described on page 5, this includes responsibility for preparing the accounts, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts.

**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**OPINION**

In our opinion the accounts give a true and fair view of the state of the Company's affairs at 31 December 1999 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers*

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
London

*16 March 2000*

**RIO TINTO ALUMINIUM HOLDINGS LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 1999**

		<u>1999</u> £ 000	<u>1998</u> £ 000
	NOTE		
Income from shares in subsidiary undertakings	5	9,200	10,560
Interest receivable	6	373	479
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>9,573</u>	<u>11,039</u>
Tax on profit on ordinary activities	7	(113)	(149)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>9,460</u>	<u>10,890</u>
Dividends	8	(9,600)	(10,760)
RETAINED (LOSS) / PROFIT FOR THE YEAR	15	<u>(140)</u>	<u>130</u>

The Company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

All items dealt with in the above profit and loss account relate to continuing operations.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

The notes on pages 10 to 14 form an integral part of these accounts.



**RIO TINTO ALUMINIUM HOLDINGS LIMITED**

**BALANCE SHEET**

**31 DECEMBER 1999**

		<u>1999</u> £ 000	<u>1998</u> £ 000
	NOTE		
FIXED ASSET INVESTMENTS	9	25,690	25,690
CURRENT ASSETS			
Debtors	10	12,678	10,842
Cash at bank and in hand	11	501	813
		13,179	11,655
CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR	12	6,813	5,149
NET CURRENT ASSETS		6,366	6,506
TOTAL ASSETS LESS CURRENT LIABILITIES		32,056	32,196
CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Shareholder's loan	16	(16,000)	(16,000)
		16,056	16,196
CALLED UP SHARE CAPITAL	13	1,000	1,000
RESERVES			
Profit and loss account	15	15,056	15,196
EQUITY SHAREHOLDERS' FUNDS	14	16,056	16,196

APPROVED BY THE BOARD OF DIRECTORS ON 16 March 2000

*R. Aulman*

*R. Shaw*

Directors

The notes on pages 10 to 14 form an integral part of these accounts.

## **RIO TINTO ALUMINIUM HOLDINGS LIMITED**

### **NOTES TO THE 1999 ACCOUNTS**

#### **1. ACCOUNTING POLICIES**

##### **a) CONVENTION**

These accounts have been prepared in accordance with the historical cost convention and applicable Accounting Standards in the United Kingdom. The principal accounting policies, which the directors have adopted within that convention, are set out below.

##### **b) GROUP ACCOUNTS**

Group accounts have not been prepared as the company is itself a wholly - owned subsidiary of another company incorporated in England and Wales. In the opinion of the directors the aggregate value of the assets of the company consisting of shares in, and amounts owing from, its subsidiaries is not less than the aggregate of the amount at which those assets are included in the balance sheet.

##### **c) CASH FLOW**

A cash flow statement is not included in these accounts because the company is a wholly - owned subsidiary of Rio Tinto plc, which publishes consolidated accounts.

##### **d) RELATED PARTY TRANSACTIONS**

The Company is exempt under the terms of Financial Reporting Standard No.8 from disclosing related party transactions with entities that are part of the Rio Tinto group.

##### **e) INVESTMENTS**

Fixed asset investments are valued at cost less impairment provisions. Impairment provisions are determined by comparing the carrying value of the investment with its recoverable amount. The recoverable amount is the higher of the amount that can be obtained from selling the investment or the value of expected cash flows arising from holding the investment, discounted at a rate of return that the market would expect from an equally risky investment.

##### **f) DEFERRED TAXATION**

Deferred taxation is provided by charge against profits to cover any material taxation liabilities which may crystallise in the foreseeable future as a result of a reversal of timing differences. No provision was required at 31 December 1999, and there was no unprovided deferred tax.

#### **2. EMPLOYEES**

There were no people employed by the Company during the year (1998 - none).

#### **3. DIRECTORS**

No remuneration was payable to directors for their services to the Company during the year (1998 - £nil).

(a) Emoluments of the directors for their services to subsidiary undertakings were as follows:

	<u>1999</u> £	<u>1998</u> £
Aggregate emoluments	107,214	96,306
Amounts receivable under long term incentive schemes (excluding shares and share options)	18,870	17,092
	<u>1999</u> No.	<u>1998</u> No.
The number of directors to whom retirement benefits are accruing under defined benefit pension schemes in respect of qualifying services	1	1
The number of directors in respect of whose qualifying services shares were received or receivable under long term incentive schemes	1	1
The number of directors who exercised share options	-	1

(b) Highest paid director

	£	£
Aggregate emoluments and benefits (excluding gains on exercise of share options and value of shares received under long-term incentive schemes)	126,084	113,398
Defined benefit pension scheme:		
Accrued pension entitlement on retirement	40,197	36,403

The highest paid director received shares under long-term incentive schemes but did not exercise any options during the year.

Three of the Company's directors have acted in a non-executive capacity and did not receive any emoluments or benefits in respect of their services to the Company and its subsidiaries.

#### **4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

No auditors' remuneration has been charged in arriving at profit on ordinary activities before taxation, as this has been borne by a subsidiary undertaking (1998 - £nil).

	<u>1999</u> £ 000	<u>1998</u> £ 000
<b>5. <u>INCOME FROM SHARES IN SUBSIDIARY UNDERTAKINGS</u></b>		
Equity dividends from subsidiary undertakings	9,200	10,560
<b>6. <u>INTEREST RECEIVABLE</u></b>		
Bank interest	35	46
Receivable from fellow subsidiary undertakings	338	433
	<u>373</u>	<u>479</u>
<b>7. <u>TAX ON PROFIT ON ORDINARY ACTIVITIES</u></b>		
Corporation tax at 30.25% (1998 – 31%) based on taxable profit for the year	113	149
<b>8. <u>DIVIDENDS</u></b>		
On 1,000,000 £1 ordinary shares:		
Interim paid 290p (1998 - 576p) per share	2,900	5,760
Final proposed 670p (1998 - 500p) per share	6,700	5,000
	<u>9,600</u>	<u>10,760</u>
<b>9. <u>FIXED ASSET INVESTMENTS</u></b>		
Shares in subsidiary undertakings at cost	25,690	25,690

The subsidiary undertakings at 31 December 1999 were all incorporated in England and Wales. The shareholdings, which consisted of Ordinary shares of £1 each fully paid, the percentages held, the nominal value of the issued shares held and the principal activities were:

Rio Tinto Aluminium Limited		
590,000 shares	100%	Aluminium Trading
Rio Tinto Commercial Services Limited		
2 shares	100%	Alumina Trading
Anglesey Aluminium Limited		
13,387,500 shares	51%	Aluminium Smelting

	<u>1999</u> £ 000	<u>1998</u> £ 000
<b>10. <u>DEBTORS</u></b>		
Dividends owed by subsidiary undertakings	6,300	4,800
Amounts receivable from fellow subsidiary undertakings	6,340	6,000
Prepayments and accrued income	38	42
	<u>12,678</u>	<u>10,842</u>

#### **11. CASH AT BANK**

Under a group banking arrangement, balances of £500,556 (1998 - £812,950) formed part of an offset arrangement whereby balances could be used to settle the overdrafts of other companies within the Rio Tinto Group.

#### **12. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR**

Corporation tax	113	149
Proposed dividend	6,700	5,000
	<u>6,813</u>	<u>5,149</u>

#### **13. SHARE CAPITAL**

##### Authorised, issued and fully paid

1,000,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
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#### **14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

Profit for the financial year	9,460	10,890
Dividends	<u>(9,600)</u>	<u>(10,760)</u>
Net (subtraction from) / addition to shareholders' funds	(140)	130
Opening shareholders' funds	<u>16,196</u>	<u>16,066</u>
Closing shareholders' funds	<u>16,056</u>	<u>16,196</u>

**15. PROFIT AND LOSS ACCOUNT**

	<u>1999</u> £ 000	<u>1998</u> £ 000
Balance at 1 January	15,196	15,066
Retained (loss) / profit for the year	(140)	130
	<hr/>	<hr/>
Balance at 31 December	<u>15,056</u>	<u>15,196</u>

**16. SHAREHOLDER'S LOAN**

The loan is interest free and has no fixed repayment date. The shareholder has confirmed that it will not require repayment within the next 12 months.

**17. CONTROLLING PARTIES**

The immediate parent undertaking is Rio Tinto Metals 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 accounts. Copies of Rio Tinto plc consolidated accounts can be obtained from its registered office at 6 St James's Square, London.