

Company Number: 883375

RIO TINTO ALUMINIUM HOLDINGS LIMITED
ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

September 2005



DIRECTORS	J R Gardener A G Hamilton
SECRETARY	M J Whyte
REGISTERED OFFICE	6 St James's Square London SW1Y 4LD
AUDITORS	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

REPORT OF THE DIRECTORS

The directors submit their annual report and the audited financial statements for the year ended 31 December 2004.

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 2004 are given on page 10.

RESULTS AND DIVIDENDS

The results of the Company for the year are set out on page 6.

Profit for the financial year after taxation was £12,547,000 (2003 - £8,624,000).

Interim dividends of £2,550,000 were paid during the year (2003 - £8,150,000). The directors do not recommend the payment of a final dividend (2003 - £1,500,000).

The retained profit for the year was £9,997,000 (2003 - loss of £1,026,000).

DIRECTORS

The names of the directors in office at the date of this report are shown on page 2. Mr B G Gale resigned as secretary on 15 December 2004. Mr M J Whyte was appointed secretary on 16 December 2004. Mr C A Ledbury resigned as director on 27 May 2005. Mr A G Hamilton was appointed a director on 27 May 2005.

DIRECTORS' INTERESTS

The directors who held office at the end of the financial year and whose interests are not reported in the financial statements of a parent company had the following interests in the ordinary shares of Rio Tinto, the ultimate parent company, as recorded in the register required to be kept by section 325 of the Companies Act 1985.

	<u>Ordinary shares of 10p each of Rio Tinto</u>		<u>Options over ordinary shares of 10p each of Rio Tinto</u>				<u>Long Term Incentive Plans³</u>	
	01.01.04 ¹	31.12.04	01.01.04 ¹	Granted	Exercised	31.12.04 ²	01.01.04 ¹	31.12.04
J R Gardener	1,318	1,495	2,136	258	993	1,401	-	-
C A Ledbury	1,435	1,638	833	-	-	833	-	-

¹ Or date of appointment, if later.

² 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.

³ Represents the maximum number of ordinary shares in Rio Tinto that may be awarded to the directors at a future date as a result of their participation in the Mining Companies Comparative Plan. For further information regarding Rio Tinto's long-term incentive plans, including the Mining Companies Comparative Plan, please see the Rio Tinto Annual Report and financial statements.

The directors held no other interests in the Company or in any other Rio Tinto Group companies.

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.

The directors are also deemed to have an interest in a trust fund containing 8,219 Rio Tinto ordinary shares at 31 December 2004 (1 January 2004 - 21,849 ordinary shares) as potential beneficiaries, together with other Rio Tinto Group employees.

REPORT OF THE DIRECTORS (CONTINUED)

AUDITORS

Pursuant to an elective resolution of the Company passed on 24th June 2005, the Company has dispensed with holding annual general meetings, the laying of financial statements before the Company in general meetings and the appointment of auditors. The auditors, PricewaterhouseCoopers LLP, will therefore be deemed to have been re-appointed at the end of the period of 28 days beginning on the day on which copies of this report and financial statements are sent to members unless a resolution is passed under Section 393 of the Companies Act 1985 to the effect that their appointment be brought to an end.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by UK company law to prepare financial statements 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 financial statements, 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.

BY ORDER OF THE BOARD



M J Whyte
Secretary

6 St James's Square
London SW1Y 4LD

2 September 2005

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

We have audited the financial statements which comprises the profit and loss account, the balance sheet and the related notes, which have been prepared under the historical cost convention and the accounting policies set out in the accounting policies note.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 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 report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, 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 financial statements. The other information comprises only the directors' report.

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

2 September 2005

RIO TINTO ALUMINIUM HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

		<u>2004</u> £ 000	<u>2003</u> £ 000
	NOTE		
Income from shares in subsidiary undertakings	3	12,550	8,450
Interest receivable	4	58	248
Interest payable	5	(63)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>12,545</u>	<u>8,698</u>
Tax on profit on ordinary activities	6	2	(74)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>12,547</u>	<u>8,624</u>
Dividends	7	(2,550)	(9,650)
Retained profit/(loss) for the year	14	<u>9,997</u>	<u>(1,026)</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 8 to 11 form an integral part of these financial statements.

RIO TINTO ALUMINIUM HOLDINGS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2004

		<u>2004</u> £ 000	<u>2003</u> £ 000
	NOTE		
FIXED ASSET INVESTMENTS	8	25,690	25,690
CURRENT ASSETS			
Debtors	9	-	7,536
Cash at bank and in hand	10	33	2
		33	7,538
CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(73)	(17,575)
NET CURRENT LIABILITIES		(40)	(10,037)
TOTAL ASSETS LESS CURRENT LIABILITIES		25,650	15,653
NET ASSETS		25,650	15,653
CAPITAL AND RESERVES			
Called up share capital	12	1,000	1,000
Profit and loss account	14	24,650	14,653
EQUITY SHAREHOLDERS' FUNDS	13	25,650	15,653

The financial statements on pages 6 to 11 were approved by the board of directors on 2 September 2005 and were signed on its behalf by:



 Director

The notes on pages 8 to 11 form an integral part of these financial statements.

NOTES TO THE 2004 FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The financial statements have been prepared under the historical convention and in accordance with applicable UK accounting standards. The directors have reviewed the Company's existing accounting policies and consider that they are consistent with the requirements of Financial Reporting Standard 18 "Accounting Policies", and that the Company's accounting policies are consistent with last year.

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue to operate.

b) GROUP FINANCIAL STATEMENTS

The exemption under section 228 of the Companies Act 1985 has been claimed and as such group financial statements 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) 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.

d) DEFERRED TAXATION

Full provision is made for deferred taxation on all timing differences that have arisen but not reversed at the balance sheet date, except that deferred tax assets are only recognised to the extent that it is more likely than not that they will be recovered. Deferred tax is recognised on an undiscounted basis.

e) TAXATION

The Company pays for any group relief received only where it is justified by commercial circumstances.

2. OPERATING COSTS

- a) The auditors' remuneration is borne by a fellow group undertaking (2003 – £nil).
- b) The average number of persons employed during the year, excluding directors, was nil (2003 – nil).
- c) No emoluments were paid to any of the directors in respect of their services to the Company (2003 – £nil).

3. INCOME FROM SHARES IN SUBSIDIARY UNDERTAKINGS

	<u>2004</u> £ 000	<u>2003</u> £ 000
Equity dividends from subsidiary undertakings	12,550	8,450

NOTES TO THE 2004 FINANCIAL STATEMENTS (CONTINUED)

4. INTEREST RECEIVABLE

	<u>2004</u> £000	<u>2003</u> £000
Receivable from fellow subsidiary undertaking	63	248
	<u> </u>	<u> </u>

5. INTEREST PAYABLE

	<u>2004</u> £000	<u>2003</u> £000
Payable to parent undertaking	(58)	-
	<u> </u>	<u> </u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>2004</u> £000	<u>2003</u> £000
Current tax:		
Corporation tax at 30% (2003 – 30%) based on taxable profit for the year	(1)	74
Adjustment in respect of previous periods	(1)	-
Total current tax	<u>(2)</u>	<u>74</u>

The tax assessed for the year is lower (2003: lower) than the standard rate of corporation tax in the UK (30%). The difference are explained as follows:

	<u>2004</u> £000	<u>2003</u> £000
Profit on ordinary activities before tax	12,545	8,698
	<u> </u>	<u> </u>
Profit on ordinary activities before tax multiplied by standard rate of tax in the UK 30% (2003:30%)	3,764	2,609
Effects of:		
Non taxable income	(3,765)	(2,535)
Adjustment to tax charge in respect of previous years	(1)	-
	<u>(2)</u>	<u>74</u>

7. DIVIDENDS

	<u>2004</u> £000	<u>2003</u> £000
On 1,000,000 £1 ordinary shares:		
Interim paid 255p (2003 – 815p) per share	2,550	8,150
Final proposed nil (2003 – 150p) per share	-	1,500
	<u>2,550</u>	<u>9,650</u>

RIO TINTO ALUMINIUM HOLDINGS LIMITED

NOTES TO THE 2004 FINANCIAL STATEMENTS (CONTINUED)

8. FIXED ASSET INVESTMENTS

	<u>2004</u> £000	<u>2003</u> £000
Shares in subsidiary undertakings at cost	25,690	25,690

The following information relates to the Company's principal subsidiary and associated undertakings at 31 December 2004.

Company	Country of Incorporation	Class of shares held	% Held	Nature of Business
Rio Tinto Aluminium Limited	England and Wales	Ordinary shares of £1 each	100	Aluminium Marketing
Rio Tinto Commercial Services Limited	England and Wales	Ordinary shares of £1 each	100	Alumina Purchasing
Anglesey Aluminium Limited	England and Wales	Ordinary shares of £1 each	51	Aluminium Smelting

9. DEBTORS

	<u>2004</u> £000	<u>2003</u> £000
Amounts receivable from fellow subsidiary undertakings	-	7,536

Amounts owed by fellow subsidiary undertakings are interest free and are payable on demand.

10. CASH AT BANK

Under a group banking arrangement, balances of £33,418 (2003 - £2,365) formed part of an offset arrangement whereby balances could be used to settle the overdrafts of other companies within the group.

11. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2004</u> £000	<u>2003</u> £000
Amounts owed to ultimate parent and fellow subsidiary undertakings	73	17,575

Amounts owed to ultimate parent and fellow subsidiary undertakings are interest free and are payable on demand.

RIO TINTO ALUMINIUM HOLDINGS LIMITED

NOTES TO THE 2004 FINANCIAL STATEMENTS (CONTINUED)

12. SHARE CAPITAL

Authorised, issued, called up and fully paid

	<u>2004</u> £000	<u>2003</u> £000
1,000,000 ordinary shares of £1 each	1,000	1,000

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2004</u> £000	<u>2003</u> £000
Profit for the financial year	12,547	8,624
Dividends	<u>(2,550)</u>	<u>(9,650)</u>
Net addition/(reduction) to shareholders' funds	9,997	(1,026)
Opening shareholders' funds	15,653	16,679
Closing shareholders' funds	<u>25,650</u>	<u>15,653</u>

14. PROFIT AND LOSS ACCOUNT

	<u>2004</u> £000	<u>2003</u> £000
Balance at 1 January	14,653	15,679
Retained profit/(loss) for the year	<u>9,997</u>	<u>(1,026)</u>
Balance at 31 December	<u>24,650</u>	<u>14,653</u>

15. CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES

The financial statements do not include a cash flow statement because the Company is a wholly owned subsidiary and the conditions of FRS 1 exempting inclusion are satisfied. The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Rio Tinto Group or investees of the Rio Tinto Group.

16. 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 financial statements. Copies of Rio Tinto Group consolidated financial statements can be obtained from its registered office at 6 St James's Square, London, SW1Y 4LD.