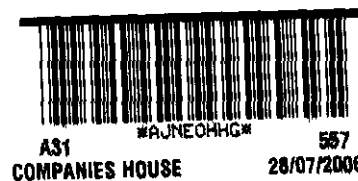


Company Number: 883375

RIO TINTO ALUMINIUM HOLDINGS LIMITED
ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

July 2006



RIO TINTO ALUMINIUM HOLDINGS LIMITED

DIRECTORS	J R Gardener A G Hamilton (appointed 27 May 2005) A V Lawless (appointed 2 September 2005) E Model (appointed 2 September 2005)
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 present their report and the audited financial statements of the Company for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

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. The Company will continue to act as a holding company for the foreseeable future.

Details of the principal subsidiary undertakings at 31 December 2005 are given on page 12.

RESULTS AND DIVIDENDS

The results of the Company for the year are set out on page 7.

Profit for the financial year after taxation was £7,481,000 (2004 - £12,547,000).

Interim dividends of £7,440,000 were paid during the year (2004 - £2,550,000). The directors do not recommend the payment of a final dividend (2004 - nil).

The retained profit for the year was £41,000 (2004 -£9,997,000).

FINANCIAL RISK MANAGEMENT

The directors have identified the need to manage the Company's material financial risks, including foreign exchange, liquidity, credit and interest rate risks. These risks are monitored through a Group Treasury management function which invests surplus funds, mitigates foreign exchange exposure and manages borrowings for Rio Tinto Group companies.

Group Treasury also seeks to limit counter-party risk by conducting most of its banking and dealing activities with a limited number of major international banks, whose status is kept under review.

Liquidity Risk

The Company finances its operations through a combination of retained profits, new share issues and intercompany loans.

Interest Rate Risk

To the extent that the Company enters into intercompany loan agreements, the Company exposure to interest rate risk arises on those loans on which interest is charged at US Libor. The Company does not participate in interest rate hedging.

Credit Risk

Credit risk arises on the balances receivable from other members of the Rio Tinto Group. No material exposure is considered to exist in respect of intercompany balances.

INDEMNITIES AND INSURANCE

Rio Tinto plc indemnifies officers of subsidiary companies against liabilities arising from the conduct of the Group's business, to the extent permitted by law, by the placing of Directors' and Officers' insurance.

The insurance indemnifies individual directors' and officers' personal legal liability and cost for claims arising out of actions taken in connection with Group business.

RIO TINTO ALUMINIUM HOLDINGS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS

The names of the directors in office at the date of this report are shown on page 2. Mr R Adams died on 27 January 2005, Mr C A Ledbury resigned as director on 27 May 2005 and Mr A G Hamilton was appointed a director on 27 May 2005. Ms A V Lawless and Ms E Model were appointed on 2 September 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</u> <u>10p each of Rio Tinto</u>		<u>Options over ordinary shares</u> <u>of 10p each of Rio Tinto</u>				<u>Long Term</u> <u>Incentive Plans³</u>	
	01.01.05 ¹	31.12.05	01.01.05 ¹	Granted	Exercised	31.12.05 ²	01.01.05 ¹	31.12.05
J R Gardener	1,495	1,477	1,401	-	560	841	-	-
A G Hamilton	100	100	22,557	5,889	7,541	20,905	6,093	11,982
E Model	1,594	1,366	3,248	967	-	4,215	992	1,959

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 835 Rio Tinto ordinary shares at 31 December 2005 (1 January 2005 – 8,219 ordinary shares) as potential beneficiaries, together with other Rio Tinto Group employees.

AUDITORS

Pursuant to an elective resolution of the Company passed on 24 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.

RIO TINTO ALUMINIUM HOLDINGS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

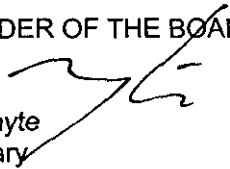
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently with the exception of the changes arising on the adoption of new accounting standards in the year as explained on page 9 under Note 1 'Accounting policies'. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2005 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

BY ORDER OF THE BOARD



M J Whyte
Secretary
6 St James's Square
London SW1Y 4LD

18 July 2006

RIO TINTO ALUMINIUM HOLDINGS LIMITED

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

We have audited the financial statements of Rio Tinto Aluminium Holdings Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

18 July 2006

RIO TINTO ALUMINIUM HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

		<u>2005</u> £ 000	<u>2004</u> £ 000
	NOTE		
Income from shares in subsidiary undertakings	3	7,480	12,550
Interest receivable	4	1	58
Interest payable	5	-	(63)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>7,481</u>	<u>12,545</u>
Tax on profit on ordinary activities	6	-	2
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>7,481</u>	<u>12,547</u>
Dividends	7	(7,440)	(2,550)
Retained profit for the year	13	<u>41</u>	<u>9,997</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 9 to 13 form an integral part of these financial statements.

RIO TINTO ALUMINIUM HOLDINGS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2005

		2005 £ 000	2004 £ 000
	NOTE		
FIXED ASSET INVESTMENTS	8	25,690	25,690
CURRENT ASSETS			
Cash at bank and in hand	9	1,021	33
		1,021	33
CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(1,020)	(73)
NET CURRENT ASSETS/ (LIABILITIES)		1	(40)
TOTAL ASSETS LESS CURRENT LIABILITIES		25,691	25,650
NET ASSETS		25,691	25,650
CAPITAL AND RESERVES			
Called up share capital	11	1,000	1,000
Profit and loss account	13	24,691	24,650
EQUITY SHAREHOLDERS' FUNDS	12	25,691	25,650

The financial statements on pages 7 to 13 were approved by the board of directors on 18 July 2006 and were signed on its behalf by:



 J R Gardener, Director

The notes on pages 9 to 13 form an integral part of these financial statements.

NOTES TO THE 2005 FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable UK accounting standards. The principal accounting policies are set out below.

Changes in accounting policies

The Company has adopted FRS21, 'Events after the balance sheet date' in these financial statements. However, there has been no impact in the current year, or prior year, financial statements of the adoption of this standard.

In addition, the Company has adopted paragraphs 15-50 of FRS 25, 'Financial instruments: disclosure and presentation', being those paragraphs relating to presentation only, in these financial statements. However, there has been no impact in the current year, or prior year, financial statements of the adoption of this standard.

b) INTEREST INCOME

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

c) 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.

d) GROUP FINANCIAL STATEMENTS

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.

e) INVESTMENTS

Fixed asset investments are valued at cost less impairment provisions. 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 income 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.

f) 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.

RIO TINTO ALUMINIUM HOLDINGS LIMITED

NOTES TO THE 2005 FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (continued)

g) DIVIDENDS

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

2. OPERATING COSTS

- a) The auditors' remuneration is borne by a fellow group undertaking (2004 – £nil).
- b) The average number of persons employed during the year, excluding directors, was nil (2004 – nil).
- c) No emoluments were paid to any of the directors in respect of their services to the Company (2004 – £nil).

3. INCOME FROM SHARES IN SUBSIDIARY UNDERTAKINGS

	<u>2005</u> £000	<u>2004</u> £000
Equity dividends from subsidiary undertakings	<u>7,480</u>	<u>12,550</u>

4. INTEREST RECEIVABLE

	<u>2005</u> £000	<u>2004</u> £000
Interest receivable from bank deposits	1	-
Interest receivable from fellow subsidiary undertaking	<u>-</u>	<u>58</u>
	<u>1</u>	<u>58</u>

5. INTEREST PAYABLE

	<u>2005</u> £000	<u>2004</u> £000
Interest payable to parent undertaking	<u>-</u>	<u>(63)</u>

RIO TINTO ALUMINIUM HOLDINGS LIMITED

NOTES TO THE 2005 FINANCIAL STATEMENTS (CONTINUED)

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>2005</u> £000	<u>2004</u> £000
Current tax:		
UK Corporation tax on profits for the period	-	(1)
Adjustment in respect of previous periods	-	(1)
Total current tax	<u>-</u>	<u>(2)</u>

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

	<u>2005</u> £000	<u>2004</u> £000
Profit on ordinary activities before tax	<u>7,481</u>	<u>12,545</u>
Profit on ordinary activities before tax multiplied by standard rate of tax in the UK 30% (2004:30%)	2,244	3,764
Effects of:		
Income not chargeable to UK tax	(2,244)	(3,765)
Adjustment to tax charge in respect of previous years	<u>-</u>	<u>(1)</u>
	<u>-</u>	<u>(2)</u>

7. DIVIDENDS

	<u>2005</u> £000	<u>2004</u> £000
On 1,000,000 £1 ordinary shares:		
Interim paid 744p (2004 – 255p) per share	<u>7,440</u>	<u>2,550</u>
	<u>7,440</u>	<u>2,550</u>

RIO TINTO ALUMINIUM HOLDINGS LIMITED

NOTES TO THE 2005 FINANCIAL STATEMENTS (CONTINUED)

8. FIXED ASSET INVESTMENTS

	<u>2005</u> £000	<u>2004</u> £000
Shares in subsidiary undertakings at cost and net book value	25,690	25,690

The following information relates to the Company's principal subsidiary and associated undertakings at 31 December 2005.

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	100	Holding Company
Anglesey Aluminium Metal Limited	England and Wales	Ordinary shares of £1 each	51	Aluminium Smelting

9. CASH AT BANK

Under a group banking arrangement, balances of £1,021,000 (2004 - £33,000) formed part of an offset arrangement whereby balances could be used to settle the overdrafts of other companies within the group.

10. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2005</u> £000	<u>2004</u> £000
Amounts payable to ultimate parent and fellow subsidiary undertakings	1,020	73

11. SHARE CAPITAL

Authorised, issued and fully paid

	<u>2005</u> £000	<u>2004</u> £000
1,000,000 ordinary shares of £1 each	1,000	1,000

RIO TINTO ALUMINIUM HOLDINGS LIMITED

NOTES TO THE 2005 FINANCIAL STATEMENTS (CONTINUED)

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2005</u> £000	<u>2004</u> £000
Profit for the year	7,481	12,547
Dividends	<u>(7,440)</u>	<u>(2,550)</u>
Net increase in shareholders' funds	41	9,997
Opening shareholders' funds	25,650	15,653
Closing shareholders' funds	<u>25,691</u>	<u>25,650</u>

13. PROFIT AND LOSS ACCOUNT

	<u>2005</u> £000	<u>2004</u> £000
Balance at 1 January	24,650	14,653
Retained profit for the year	41	9,997
Balance at 31 December	<u>24,691</u>	<u>24,650</u>

14. 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.

15. ULTIMATE PARENT UNDERTAKING

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.