

Company Number 00883375

RIO TINTO ALUMINIUM HOLDINGS (UK) LIMITED
ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

July 2008

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RIO TINTO ALUMINIUM HOLDINGS (UK) LIMITED

DIRECTORS	S Farry A G Hamilton B J S Mathews E Model
SECRETARY	M J Whyte
REGISTERED OFFICE	2 Eastbourne Terrace London W2 6 LG
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 2007

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

Rio Tinto Aluminium Holdings (UK) Limited ("the Company") is a wholly owned subsidiary of Rio Tinto plc (Rio Tinto) and is an investment holding company for the Rio Tinto Group. Until 6 November 2006 the Company's name was Rio Tinto Aluminium Holdings Limited.

Details of the principal subsidiary undertakings at 31 December 2007 are set out on in Note 6 to the accounts.

The Company does not produce consolidated financial statements as its results are consolidated into the financial statements of the Rio Tinto Group. The Company's results from year to year are highly sensitive to the timing of dividend flows and of movements in provisions, and do not necessarily reflect the performance of its group undertakings. The profit for the year was £15,380,000 (2006 - £15,650,000).

Interim dividends of £nil were paid during the year (2006 - £39,650,000). The directors do not recommend the payment of a final dividend (2006 - £nil).

FUTURE DEVELOPMENTS

The company's future developments are integrated with those of the Rio Tinto Group which are discussed in its 2007 Annual report and financial statements which do not form part of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's principal risks and uncertainties are also integrated with those of the Rio Tinto Group and are not managed separately. The Group's risk factors and policies for financial risk management are also discussed in its 2007 Annual report and financial statements.

KEY PERFORMANCE INDICATORS ("KPIs")

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

DIRECTORS

The names of the directors in office at the date of this report and who served during the course of the year are shown on page 2. Mrs A V Lawless resigned as director on 31 July 2007. Mr B J S Mathews was appointed as director on 1 August 2007.

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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required to prepare financial statements for each financial period that 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. The financial statements have been prepared on the going concern basis as the directors have satisfied themselves that the company has access to adequate financial resources to continue in operational existence for the foreseeable future.

REPORT OF THE DIRECTORS (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES (Continued)

The directors consider that the 2007 Annual report and financial statements present a true and fair view and have been prepared in accordance with applicable accounting standards, using the most appropriate accounting policies, and supported by reasonable and prudent judgements and estimates. The accounting policies have been consistently applied.

The directors are responsible for maintaining proper accounting records in accordance with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEMNITIES AND INSURANCE

The Rio Tinto Group 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.

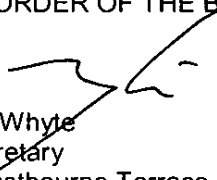
AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITORS

The auditors, PricewaterhouseCoopers LLP, are deemed to have been re-appointed in accordance with an elective resolution passed under Section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006, 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 510 of the Companies Act 2006 to the effect that their appointment be brought to an end.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

BY ORDER OF THE BOARD



M J Whyte
Secretary
2 Eastbourne Terrace
London
W2 6 LG

9 July 2008

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

We have audited the financial statements of Rio Tinto Aluminium Holdings (UK) Limited for the year ended 31 December 2007 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RIO TINTO ALUMINIUM HOLDINGS (UK) LIMITED continued**

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 2007 and of its profit for the year then ended,
- The financial statements have been properly prepared in accordance with the Companies Act 1985, and
- The information given in the Directors' Report is consistent with the financial statements



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
15 July 2008

RIO TINTO ALUMINIUM HOLDINGS (UK) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

		<u>2007</u> £ 000	<u>2006</u> £ 000
	NOTE		
Income from shares in subsidiary undertakings	3	17,395	15,650
Loan written off		<u>(750)</u>	<u>-</u>
OPERATING PROFIT		16,645	15,650
Interest payable		<u>(1,265)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		15,380	15,650
Tax on profit on ordinary activities	4	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	9	15,380	15,650
Dividends	5	-	(39,650)
Retained profit / (loss) for the year		<u>15,380</u>	<u>(24,000)</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 12 form an integral part of these financial statements

RIO TINTO ALUMINIUM HOLDINGS (UK) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2007

		<u>2007</u> £ 000	<u>2006</u> £ 000
	NOTE		
FIXED ASSET INVESTMENTS	6	<u>25,690</u>	<u>25,690</u>
CREDITORS – amounts falling due within one year	7	<u>(8,619)</u>	<u>(23,999)</u>
NET CURRENT (LIABILITIES)		<u>(8,619)</u>	<u>(23,999)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>17,071</u>	<u>1,691</u>
NET ASSETS		<u><u>17,071</u></u>	<u><u>1,691</u></u>
CAPITAL AND RESERVES			
Called up share capital	8	1,000	1,000
Profit and loss account	9	<u>16,071</u>	<u>691</u>
EQUITY SHAREHOLDERS' FUNDS	9	<u><u>17,071</u></u>	<u><u>1,691</u></u>

The financial statements on pages 7 to 12 were approved by the board of directors on 9 July 2008 and were signed on its behalf by


 B J S Matthews, Director

The notes on pages 9 to 12 form an integral part of these financial statements

NOTES TO THE 2007 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 directors have reviewed the Company's existing policies and consider that they are consistent with last year. The principal accounting policies are set out below.

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.

g) DIVIDENDS

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

h) 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.

RIO TINTO ALUMINIUM HOLDINGS (UK) LIMITED

NOTES TO THE 2007 FINANCIAL STATEMENTS (CONTINUED)

2 OPERATING COSTS

- a) The auditors' remuneration of £4,680 (2006 - £4,500) is borne by a fellow group undertaking
- b) The average number of persons employed during the year, excluding directors, was nil (2006 - nil)
- c) No emoluments were paid to any of the directors in respect of their services to the Company (2006 - £nil)

3 INCOME FROM SHARES IN SUBSIDIARY UNDERTAKINGS

	<u>2007</u> £000	<u>2006</u> £000
Equity dividends from subsidiary undertakings	<u>17,395</u>	<u>15,650</u>

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>2007</u> £000	<u>2006</u> £000
Current tax		
UK Corporation tax on profits for the period	-	-
Adjustment in respect of previous periods	-	-
Total current tax	<u>-</u>	<u>-</u>

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

	<u>2007</u> £000	<u>2006</u> £000
Profit on ordinary activities before tax	<u>15,380</u>	<u>15,650</u>
Profit on ordinary activities before tax multiplied by standard rate of tax in the UK 30% (2006 30%)	4,614	4,695
Effects of		
Income not chargeable to UK tax	(5,219)	(4,695)
Expenses not allowable	225	-
Group relief surrender		
For nil consideration	<u>380</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Legislation was enacted in 2007 that reduced the UK statutory corporation tax rate to 28%, effective 1 April 2008

RIO TINTO ALUMINIUM HOLDINGS (UK) LIMITED

NOTES TO THE 2007 FINANCIAL STATEMENTS (CONTINUED)

5 DIVIDENDS

	<u>2007</u> £000	<u>2006</u> £000
On 1,000,000 £1 ordinary shares		
Interims paid (2006 – 3965p) per share		39,650
		39,650

6 FIXED ASSET INVESTMENTS

	<u>2007</u> £000	<u>2006</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 2007

Company	Country of Incorporation	Class of shares held	% Held	Nature of Business
Rio Tinto Aluminium (UK) Limited	England and Wales	Ordinary shares of £1 each	100	Aluminium Marketing
Rio Tinto Aluminium Malaysia (UK) Limited	England and Wales	Ordinary shares of £1 each	100	Feasibility Studies
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	Holding Company
And through Anglesey Aluminium Limited				
Anglesey Aluminium Metal Limited	England and Wales	Ordinary shares of £1 each	51	Aluminium Smelting

Within the UK there has been publicity about the closure of the Wylfa nuclear power station, Anglesey Aluminium Metal Limited's (AAM) supplier of electricity, in December 2010. The contract between the two companies is due to expire in September 2009 with an extension being sought to bridge the 15-month gap between this and the date of Wylfa's closure. AAM has begun discussions with suppliers of power, both established and biomass alternatives.

RIO TINTO ALUMINIUM HOLDINGS (UK) LIMITED

NOTES TO THE 2007 FINANCIAL STATEMENTS (CONTINUED)

7 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2007</u> £000	<u>2006</u> £000
Amounts payable to ultimate parent and fellow subsidiary undertakings	<u>8,619</u>	<u>23,999</u>

8 SHARE CAPITAL

Authorised, issued and fully paid

	<u>2007</u> £000	<u>2006</u> £000
1,000,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>Share capital</u> £000	<u>Profit and loss account</u> £000	<u>Total</u> £000
At 1 January 2007	1,000	691	1,691
Profit for the year	-	15,380	15,380
Dividend paid	-	-	-
At 31 December 2007	<u>1,000</u>	<u>16,071</u>	<u>17,071</u>

10 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.

11 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 2 Eastbourne Terrace, London W2 6LG, alternatively these can be obtained from the Rio Tinto website at www.riotinto.com.