COMPANY NUMBER 01599006

RIO TINTO TALC LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

July 2009

Company Information

DIRECTORS:	Mr R P Dowding Mr D S Larsen Mr B J S Mathews Mr U Quellmann
SECRETARY:	Mr R P Dowding
REGISTERED OFFICE:	2 Eastbourne Terrace London W2 6LG
AUDITORS:	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

REPORT OF THE DIRECTORS

The directors present their Annual report, together with the audited financial statements for the year ended 31 December 2008.

BUSINESS REVIEW

Rio Tinto Talc Limited ("the Company") is a wholly owned subsidiary of Rio Tinto Overseas Holdings Limited and a member of the Rio Tinto Group ("the Group"). The Company is an investment holding company for the Group and will continue to be so for the foreseeable future.

Details of the principal subsidiaries at 31 December 2008 are given on page 11.

The results of the Company for the year ended 31 December 2008 are set out on page 6. The Company's results from year to year are highly sensitive to the timing of dividend flows and of movements in impairment provisions, and do not necessarily reflect the performance of its group undertakings.

The Company's loss for the year was £1,458,000 (2007: profit of £26,230,000).

No interim dividend was paid during the year (2007: nil). The directors do not recommend the payment of a final dividend (2007: nil).

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 2008 Annual report and Full financial statements which do not form part of this report.

KEY 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.

DIRECTORS

The names of the directors in office at the date of this report are shown on page 2. Mr U Quellman was appointed as a director of the Company on 25 April 2008. Mr C H H Lawton and Mr I C Ratnage resigned as directors on 25 April 2008 and Mr C Lenon resigned on 8 December 2008.

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 2008 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

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.

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

R P Dowding
Secretary

2 Eastbourne Terrace
London W2 6LG
17 July 2009

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

We have audited the financial statements of Rio Tinto Talc Limited for the year ended 31 December 2008 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 Annual report and 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 Report of the Directors 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 other information contained in the Annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Directors and the Company Information page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its loss 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 Report of the Directors is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
21 July 2009

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 £000	2007 £000
Income from shares in subsidiary undertaking		-	29,212
OPERATING PROFIT		-	29,212
Interest payable	3	(1,710)	(2,982)
Charge of provision for impairment	5	(235)	-
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,945)	26,230
Taxation on (loss) / profit on ordinary activities	4	487	-
Retained (loss) / profit for the year	9	(1,458)	26,230

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.

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

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

The notes on pages 8 to 13 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2008

	Note	2008 £000	2007 £000
FIXED ASSETS			
Investments	5	49,016	49,251
CURRENT ASSETS			
Debtors	6	487	21,704
CREDITORS: Amounts falling due within one year	7	(36,486)	(56,480)
NET CURRENT LIABILITIES		(35,999)	(34,776)
NET ASSETS		13,017	14,475
CAPITAL AND RESERVES			
Called up share capital	8	827	827
Profit and loss account	9	12,190	13,648
EQUITY SHAREHOLDERS' FUNDS		13,017	14,475

The financial statements on pages 6 to 13 were approved by the Board of Directors on 17 July 2009 and signed on its behalf by:

D S Larsen, Director

The notes on pages 8 to 13 form part of these financial statements.

NOTES TO THE 2008 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 parent company has confirmed that it has been its practice to ensure that wholly owned subsidiaries are in a position to meet debts as they fall due. The directors have reviewed the Company's existing accounting policies and consider that they are suitable. The principal accounting policies have been applied consistently.

b) 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.

c) 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.

d) Taxation

Payment is made for group relief claimed only to the extent that a corresponding receipt has been claimed by the Company surrendering the tax losses. In most cases, the Company does not pay for, or receive payment for, any group relief claimed from, or surrendered to other Group companies.

Withholding tax incurred on the receipt of interest or dividends is presented as part of the tax charge within the profit and loss account.

e) 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.

f) Investments

Fixed asset investments are valued at cost less impairment provisions. The Company assesses assets or groups of assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication of impairment exists or when annual impairment testing for an asset group is required, the Company makes an estimate of its recoverable amount. An asset group's recoverable amount is the higher of its net realisable value and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

NOTES TO THE 2008 FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

f) Investments (continued)

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 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 any previously recognised impairment losses. Such reversal is recognised in profit or loss.

g) 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 subsidiary companies is not less than the aggregate amount at which those assets are included in the balance sheet.

h) Currency Translation

Transactions denominated in foreign currencies are translated at the rate of exchange ruling on the date of the transaction.

Monetary assets and liabilities expressed in foreign currencies are translated at the rates of exchange ruling at the end of the financial year. Exchange differences, except where they relate to share capital, share premium and reserves, are dealt with in the profit and loss account.

i) Reporting Format

The Company acts as an investment holding company, and hence the dividends received from investee companies, the interest receivable on loans to such companies and provisions relating to its investments are presented within operating profit.

2. OPERATING COSTS

a) The auditors' remuneration of £3,137 (2007: £4,680) is borne by a fellow group undertaking.

b) The average number of persons employed during the year, excluding directors, was nil (2007: nil).

c) No emoluments were paid to any of the directors in respect of their services to the Company (2007: nil).

NOTES TO THE 2008 FINANCIAL STATEMENTS (continued)

3. INTEREST PAYABLE

	2008 £000	2007 £000
Interest payable to group companies	1,710	2,982

4. TAXATION

The tax credit based on the result for the year is made up as follows:

	2008 £000	2007 £000
Current tax:		
UK corporation tax on profits of the year	487	12,439
Double tax relief	-	(12,439)
Tax on profit on ordinary activities	487	-

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 28.5% (2007: 30%). The differences are explained below:

	2008 £000	2007 £000
(Loss) / profit on ordinary activities before tax	(1,945)	26,230
(Loss) / profit on ordinary activities multiplied by standard rate of tax in the UK of 28.5% (2007: 30%)	554	7,869
Effects of:		
Expenses not deductible for tax purposes	(67)	-
Gross up for underlying tax	-	3,675
Group relief surrendered for no payment	-	895
Deduct: Double tax relief	-	(12,439)
Current tax credit for the year	487	-

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

NOTES TO THE 2008 FINANCIAL STATEMENTS (continued)

5. INVESTMENTS

Shares in subsidiaries

	2008 £000	2007 £000
Cost		
At 1 January	70,343	61,921
Additions	-	8,422
At 31 December	70,343	70,343
Provisions		
At 1 January	21,092	21,092
Charged during the year	235	-
At 31 December	21,327	21,092
Net book value		
At 1 January	49,251	40,829
At 31 December	49,016	49,251

The provision recorded during the year relates to the decrease in the expected recoverable amount from an investment in a subsidiary. It has been calculated to ensure that the carrying value of the relevant assets is not in excess of the realisable value of those assets.

The following information relates to the Company's principal subsidiaries at 31 December 2008:

Company	Country of incorporation	Class of shares held	% held	Principal activities
Luzenac Val Chisone SpA	Italy	Ordinary shares of €1	99.51	Mining
Luzenac Micro Milling Limited	England and Wales	Ordinary shares of £1	100	Mineral processing
Luzenac Sierra SA de CV	Mexico	Ordinary shares of MXP 1	100	Mining
Luzenac Europe SAS	France	Ordinary shares of €38.15	100	Holding company
and through Luzenac Europe SAS				
- Talc de Luzenac SA	France	Ordinary shares of €15	100	Mining
- Borax Francais SA	France	Ordinary shares of €15.25	100	Mineral processing
- Luzenac SET SA	Spain	Ordinary shares of €1000	100	Mining
- Luzenac Naintsch GmbH	Austria	Ordinary shares of €72.67	100	Mining

NOTES TO THE 2008 FINANCIAL STATEMENTS (continued)

6. DEBTORS

	2008 £000	2007 £000
Amounts receivable from group undertakings	487	21,704

7. CREDITORS: Amounts falling due within one year:

	2008 £000	2007 £000
Amounts owed to parent undertaking	36,150	56,144
Amounts owed to fellow subsidiary undertaking	336	336
	36,486	56,480

Amounts owed to Group undertakings above are subject to interest payable at an applicable average Bank of England Base Rate, except where the subsidiary is dormant and are repayable on demand.

8. SHARE CAPITAL

	2008 £000	2007 £000
Authorised:		
1,000,000 ordinary shares of £1 each	1,000	1,000
Issued and fully paid:		
826,828 ordinary shares of £1 each	827	827

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share capital £000	Profit and loss account £000	Total £000
At 1 January	827	13,648	14,475
Retained loss for the year	-	(1,458)	(1,458)
At 31 December	827	12,190	13,017

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 Financial Reporting Standard 1 exempting inclusion are satisfied. The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Group or investees of the Group.

NOTES TO THE 2008 FINANCIAL STATEMENTS (continued)

11. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Rio Tinto Overseas 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. The Group's consolidated financial statements can be obtained from 2 Eastbourne Terrace, London, W2 6LG, or from the Rio Tinto website at www.riotinto.com.