

**COMPANY NUMBER: 03699290**

**RIO TINTO SOUTH EAST ASIA LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009**

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**COMPANY INFORMATION**

<b>DIRECTORS</b>	D S Larsen B J S Mathews U Quellmann
<b>SECRETARY</b>	M J Whyte
<b>REGISTERED OFFICE</b>	2 Eastbourne Terrace London W2 6LG
<b>AUDITORS</b>	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 2009

### BUSINESS REVIEW

Rio Tinto South East Asia Limited ("the Company") is a wholly owned subsidiary of Rio Tinto International Holdings Limited and member of the Rio Tinto Group ("the Group") The Company is an investment company through which the Group owns its interest in Rio Tinto Limited, an Australian public company and will continue to do so for the foreseeable future

Details of the principal investment held at 31 December 2009 are given on page 11

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 Company's profit for the financial year is \$2,806,000,000 (2008 \$2,739,000,000) No interim dividends were paid during the year (2008 \$2,917,000,000) The directors do not recommend the payment of a final dividend (2008 nil)

The Company's future developments are integrated with those of the Group which are discussed in its 2009 Annual report which does not form part of this report

### 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 2009 Annual report which does 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

### POST BALANCE SHEET EVENTS

An interim dividend of \$2,800,000,000 was paid on 13 May 2010 in respect of the year ended 31 December 2010

On 29 January 2010, 26 February 2010, 31 March 2010 and 30 April 2010 the Company provided loans totalling \$6,000,000,000 to Rio Tinto Alcan Inc, a Group undertaking These were funded by loans from the parent company

### DIRECTORS

The directors in office at the date of this report are shown on page 2

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

The directors consider that the 2009 Annual report and financial statements present a true and fair view and have been prepared in accordance with applicable accounting standards,

**REPORT OF THE DIRECTORS (continued)****STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)**

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 2006. 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 Group has 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.

**DISCLOSURE OF INFORMATION TO AUDITORS**

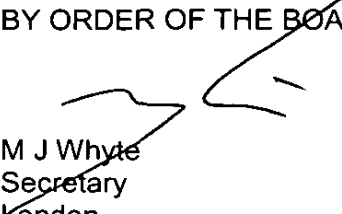
In so far as the directors are aware:

- 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.

**CHANGE OF AUDITORS**

In accordance with section 485 Companies Act 2006 the directors will propose that during the period for appointing auditors the shareholders pass an ordinary resolution to appoint Grant Thornton LLP as auditors of the Company.

BY ORDER OF THE BOARD



M J Whyte  
Secretary  
London  
13 August 2010

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
RIO TINTO SOUTH EAST ASIA LIMITED**

We have audited the financial statements of Rio Tinto South East Asia Limited ("the Company") for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out in the Report of the Directors, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Jonathan Lambert (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
13 August 2010

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	<u>2009</u> \$m	<u>2008</u> \$m
Income from shares in subsidiary undertakings		2,747	2,767
Operating profit	2	2,747	2,767
Interest receivable from fellow subsidiaries		196	41
Interest payable to fellow subsidiaries		(117)	(55)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>2,826</b>	<b>2,753</b>
Taxation on profit on ordinary activities	3	(20)	(14)
<b>PROFIT FOR THE YEAR</b>	9	<b><u>2,806</u></b>	<b><u>2,739</u></b>

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 profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents

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

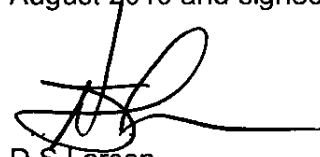
The notes on pages 8 to 13 form part of these financial statements

**BALANCE SHEET  
AS AT 31 DECEMBER 2009**

	Note	<u>2009</u> \$m	<u>2008</u> \$m
<b>FIXED ASSETS</b>			
Investments	5	4,709	4,709
<b>CURRENT ASSETS</b>			
Debtors	6	14,609	3,710
<b>CREDITORS</b> Amounts falling due within one year	7	(11,059)	(2,966)
<b>NET CURRENT ASSETS</b>		<u>3,550</u>	<u>744</u>
<b>NET ASSETS</b>		<u>8,259</u>	<u>5,453</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	5,072	5,072
Other reserves	9	320	320
Profit and loss account	9	2,867	61
<b>EQUITY SHAREHOLDERS' FUNDS</b>	9	<u>8,259</u>	<u>5,453</u>

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

The financial statements on pages 6 to 13 were approved by the Board of Directors on 13 August 2010 and signed on its behalf by



D S Larsen  
Director

## NOTES TO THE 2009 FINANCIAL STATEMENTS

1 ACCOUNTING POLICIESa) 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 2006 and applicable UK accounting standards. 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) Presentation Currency

The principal currency affecting the Company's operations is the US dollar, and all financing provided to / by the Company is denominated in the US dollar. Accordingly, the directors regard the US dollar as the principal currency affecting the Company's own cash flows. As a result, the financial statements are presented in US dollars. The year end exchange rate was US\$1.61 : £1 (31 December 2008 US\$1.44 : £1).

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) 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.

e) Taxation

The Company does not pay for, or receive payment for, any group relief claimed from, or surrendered to, other Group companies.

Withholding taxes incurred on the receipt of interest and dividends from overseas group companies are presented as part of the taxation charge in the profit and loss account.

f) Deferred Tax

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 Paid

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



**NOTES TO THE 2009 FINANCIAL STATEMENTS (continued)****1 ACCOUNTING POLICIES (continued)****h) 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.

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.

**i) 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.

**j) 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.

**k) 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 profits.

## NOTES TO THE 2009 FINANCIAL STATEMENTS (continued)

2 OPERATING COSTS

- a) The auditors' remuneration of \$4,802 for 2009 is borne by a fellow group undertaking (2008 \$4,645)
- b) The average number of persons employed during the period, excluding directors, was nil (2008 nil)
- c) No emoluments were paid to any of the directors in respect of their services to the Company (2008 nil)

3 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax credit / (charge) based on the result for the year is made up as follows

	<u>2009</u> \$m	<u>2008</u> \$m
<b>Current tax:</b>		
UK corporation tax on profits of the year	20	4
Deduct Double taxation relief	<u>(20)</u>	<u>(4)</u>
	-	-
Withholding tax	<u>20</u>	<u>4</u>
Total current tax charge	<u>20</u>	<u>4</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>-</u>	<u>10</u>
Total deferred tax	<u>-</u>	<u>10</u>
Tax on profit on ordinary activities	<u>-</u>	<u>14</u>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 28% (2008 28.5%) The difference is explained below

	<u>2009</u> \$m	<u>2008</u> \$m
Profit on ordinary activities before tax	<u>2,826</u>	<u>2,753</u>
Profit on ordinary activities multiplied by standard rate of tax in the UK of 28% (2008 28.5%)	791	785
Effects of		
Carried forward losses	-	(2)
Income not chargeable to UK tax	(769)	(789)
Group relief (claimed) / surrendered for nil consideration	<u>(2)</u>	<u>10</u>
Current tax charge for the year	<u>20</u>	<u>4</u>

Legislation was enacted in 2009 which exempts dividends, received on ordinary shares from controlled subsidiaries, from the charge to UK corporation tax, effective 1 July 2009

## NOTES TO THE 2009 FINANCIAL STATEMENTS (continued)

3 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

The June 2010 Budget Statement announced reductions to the UK statutory corporation tax rate from the current rate of 28%. The new rates expected are 27% effective 1 April 2011, 26% effective 1 April 2012, 25% effective 1 April 2013 and 24% effective 1 April 2014. These changes will have no impact on the financial statements prepared for the year ended 31 December 2009.

4 DIVIDEND

	<u>2009</u> \$m	<u>2008</u> \$m
Interim dividend paid	-	2,917

5 INVESTMENTS

	<u>2009</u> \$m	<u>2008</u> \$m
At 1 January and 31 December	4,709	4,709

The following information relates to the Company's principal subsidiary at 31 December 2009

Company	Country of Incorporation	Class of shares held	% held	Nature of business activity
Rio Tinto Australian Holdings Limited	England and Wales	Ordinary shares of £1	100	Holding company for mining interests

Through Rio Tinto Australian Holdings Limited, the Company has a beneficial interest in 28.2% of Rio Tinto Limited, a company incorporated in Australia. This interest comprises 171,072,520 shares (2008: 171,072,520), which are listed on the Australian stock exchange with a market value of A\$74.89 per share (2008: A\$38.00) at 31 December 2009.

6 DEBTORS

	<u>2009</u> \$m	<u>2008</u> \$m
Amounts receivable from fellow subsidiary undertakings	14,609	3,710
	<u>14,609</u>	<u>3,710</u>

The above receivables are interest bearing and are repayable on demand.

## NOTES TO THE 2009 FINANCIAL STATEMENTS (continued)

7 CREDITORS Amounts falling due within one year

	<u>2009</u>	<u>2008</u>
	\$m	\$m
Amounts owed to fellow subsidiary undertakings	1	2,966
Amounts owed to parent undertaking	11,058	
	<u>11,059</u>	<u>2,966</u>

The above payable are interest bearing and are repayable on demand

8 SHARE CAPITAL

	<u>2009</u>	<u>2008</u>
	\$m	\$m
Authorised		
2,000,000,000 Ordinary shares of £1 00 each	2,900	2,900
5,000,000,000 Ordinary shares of \$1 00 each	5,000	5,000
	<u>7,900</u>	<u>7,900</u>
Issued, called up and fully paid		
2,000,000,000 Ordinary shares of £1 00 each	2,900	2,900
2,172,001,514 Ordinary shares of \$1 00 each	2,172	2,172
	<u>5,072</u>	<u>5,072</u>

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>Share capital</u>	<u>Other Reserves</u>	<u>Profit and loss account</u>	<u>Total</u>
	\$m	\$m	\$m	\$m
At 1 January 2009	5,072	320	61	5,453
Profit for the year	-	-	2,806	2,806
	<u>5,072</u>	<u>320</u>	<u>2,867</u>	<u>8,259</u>

In 2000, the Company's share capital was translated into US dollars at the exchange rate in force when the US dollar became the functional currency. The resulting currency translation adjustment has been included in other reserves.

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 Rio Tinto Group or investees of the Rio Tinto Group.

**NOTES TO THE 2009 FINANCIAL STATEMENTS (continued)****11 POST BALANCE SHEET EVENTS**

An interim dividend of \$2,800,000,000 was paid on 13 May 2010 in respect of the year ended 31 December 2010

On 29 January 2010, 26 February 2010, 31 March 2010 and 30 April 2010 the Company provided loans totalling \$6,000,000,000 to Rio Tinto Alcan Inc, a Group undertaking. These were funded by loans from the parent company.

**12 ULTIMATE PARENT UNDERTAKING**

The immediate parent undertaking is Rio Tinto International 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 its registered office at 2 Eastbourne Terrace, London, W2 6LG, or from the Rio Tinto website at [www.riotinto.com](http://www.riotinto.com).