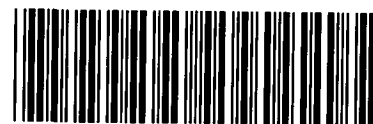


Registration number: 00993068

RIO TINTO EUROPEAN HOLDINGS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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RIO TINTO EUROPEAN HOLDINGS LIMITED

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RIO TINTO EUROPEAN HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS	S P Allen P L Cunningham J P Kiddle A Martins Alexandre
COMPANY SECRETARY	Rio Tinto Secretariat Limited
REGISTRATION NUMBER	00993068
REGISTERED OFFICE	6 St James's Square London United Kingdom SW1Y 4AD
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London United Kingdom WC2N 6RH

RIO TINTO EUROPEAN HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their Strategic report on Rio Tinto European Holdings Limited (the "Company") for the year ended 31 December 2018.

Introduction

The Company was incorporated, domiciled and registered in England and Wales under the Companies Act 2006 and is a private company limited by shares. The Company's ultimate parent undertaking and controlling party is Rio Tinto plc, which together with Rio Tinto Limited and their respective subsidiaries form the Rio Tinto Group (the "Group").

The Company is an investment holding company for the Group.

Business review

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.

During the 2018 financial year, an impairment charge relating to the Company's investment in 7999674 Canada Inc. of US\$627 million was recorded.

Principal risks and uncertainties

The Company's principal risks and uncertainties, such as financial, operational and compliance risks, are integrated with those of the Group and are not managed separately.

Assessment of the potential economic and non-economic consequences of risks is undertaken by the Group's business units and functions using the framework defined by the Group's Risk policy and standard. Once identified, each principal risk and uncertainty is reviewed and monitored by the relevant internal experts and by the Risk Management Committee, the relevant board committees and the board. Full details of the Group's risk factors and policies for financial risk management are discussed in its 2018 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.

The report was approved by the board and signed on its behalf by:


.....
JOHN KIDDLE

Director

Date: 30 SEPTEMBER 2019

RIO TINTO EUROPEAN HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the audited financial statements for the year ended 31 December 2018.

Results and dividends

The loss for the financial year, after taxation, amounted to \$668,103,000 (2017: profit of \$791,486,000).

No interim dividend was paid during the year (2017: \$nil). The directors do not recommend the payment of a final dividend (2017: final dividend of \$800,000,000).

Directors

The directors who served during the year and to the date of this report were:

S P Allen

M P Bossick (resigned 19 April 2019)

P L Cunningham

P I Hedley (resigned 7 June 2019)

J P Kiddle (appointed 19 April 2019)

A Martins Alexandre (appointed 7 June 2019)

The directors had no 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 in respect of the financial statements

The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006.

RIO TINTO EUROPEAN HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

Indemnities and insurance

In accordance with section 233 of the Companies Act 2006 the Company has also purchased and maintains insurance against liabilities arising from claims against directors' and officers' actions taken in connection with the Group's business.

Principal activity

The Company is an investment holding company for the Group.

Going concern

The directors consider that use of the going concern basis of accounting is appropriate. In arriving at this conclusion they have considered the Company's activities, future plans and possible events that could threaten the appropriateness of using the going concern basis. The directors have received an undertaking from Rio Tinto International Holdings Limited, in its capacity as ultimate parent of Rio Tinto France S.A.S, that Rio Tinto France S.A.S will not seek repayment of a loan outstanding until the Company has sufficient funds to do so.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Future developments

The Company's future developments are integrated with those of the Group which are discussed in the Group's 2018 Annual Report, which does not form part of this report.

Financial risk management

Please refer to the Strategic report, principal risks and uncertainties section.

Disclosure of information to auditors

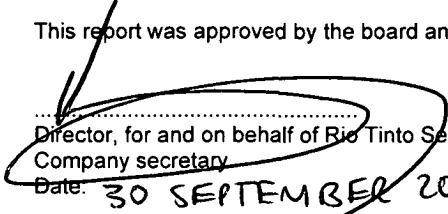
Each of the persons who were directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed by order of the board.


Director, for and on behalf of Rio Tinto Secretariat Limited
Company secretary

ANDY HODGES

Date: 30 SEPTEMBER 2019

6 St James's Square
London
United Kingdom
SW1Y 4AD

RIO TINTO EUROPEAN HOLDINGS LIMITED

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

Report on the audit of the financial statements

Opinion

In our opinion, Rio Tinto European Holdings Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2018; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the Notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

RIO TINTO EUROPEAN HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RIO TINTO EUROPEAN HOLDINGS LIMITED (CONTINUED)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

RIO TINTO EUROPEAN HOLDINGS LIMITED

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF RIO TINTO EUROPEAN HOLDINGS LIMITED (CONTINUED)**

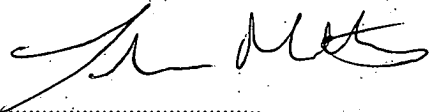
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Jonathan Mathews (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 30/09/2019

RIO TINTO EUROPEAN HOLDINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

		2018	2017
	Note	\$ 000	\$ 000
Investment income	3	-	800,000
Impairment charges	9	(668,946)	(19,144)
Net exchange gains/(losses)		522	(1,479)
Finance income	6	75,070	48,723
Finance expense	7	(66,340)	(34,507)
(Loss)/profit before taxation		(659,694)	793,593
Taxation	8	(8,409)	(2,107)
(Loss)/profit for the financial year		(668,103)	791,486
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Actuarial gain/(loss) on defined benefit scheme	12	398	(506)
Movements in deferred tax relating to pension schemes	8	(68)	86
Other comprehensive income/(expense)		330	(420)
Total comprehensive (expense)/income for the financial year		(667,773)	791,066

RIO TINTO EUROPEAN HOLDINGS LIMITED

(REGISTRATION NUMBER: 00993068)
BALANCE SHEET AS AT 31 DECEMBER 2018

	Note	2018 \$ 000	2017 \$ 000
ASSETS			
Non-current assets			
Investments	9	8,489,149	9,158,095
Deferred tax assets	8	-	5,115
		<u>8,489,149</u>	<u>9,163,210</u>
Current assets			
Receivables	10	1,839,170	2,656,572
		<u>1,839,170</u>	<u>2,656,572</u>
Total assets		<u>10,328,319</u>	<u>11,819,782</u>
LIABILITIES			
Current liabilities			
Payables	11	(3,022,265)	(3,845,213)
Non-current liabilities			
Retirement benefit obligations	12	(992)	(1,734)
Total liabilities		<u>(3,023,257)</u>	<u>(3,846,947)</u>
Net assets		<u>7,305,062</u>	<u>7,972,835</u>
EQUITY			
Share capital	13	168,200	168,200
Share premium account		42,000	42,000
Other reserves	14	23,195	23,195
Retained earnings		7,071,667	7,739,440
Total equity		<u>7,305,062</u>	<u>7,972,835</u>

These financial statements were approved and authorised by the board and were signed on its behalf by:


JOHN KIDDLE

Director

Date: 30 SEPTEMBER 2019

RIO TINTO EUROPEAN HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital \$ 000	Share premium account \$ 000	Other reserves \$ 000	Retained earnings \$ 000	Total equity \$ 000
At 1 January 2018	168,200	42,000	23,195	7,739,440	7,972,835
Comprehensive income:					
Loss for the financial year	-	-	-	(668,103)	(668,103)
	-	-	-	(668,103)	(668,103)
Net actuarial gains on defined benefit pension scheme	-	-	-	330	330
Other comprehensive income for the year	-	-	-	330	330
Total comprehensive expense for the year	-	-	-	(667,773)	(667,773)
At 31 December 2018	168,200	42,000	23,195	7,071,667	7,305,062

	Share capital \$ 000	Share premium account \$ 000	Other reserves \$ 000	Retained earnings \$ 000	Total equity \$ 000
At 1 January 2017	168,200	42,000	23,195	7,748,374	7,981,769
Comprehensive income:					
Profit for the financial year	-	-	-	791,486	791,486
	-	-	-	791,486	791,486
Net actuarial loss on defined benefit pension scheme	-	-	-	(420)	(420)
Other comprehensive expense for the year	-	-	-	(420)	(420)
Total comprehensive income for the year	-	-	-	791,066	791,066
Transactions with owners:					
Dividends	-	-	-	800,000	800,000
At 31 December 2017	168,200	42,000	23,195	7,739,440	7,972,835

RIO TINTO EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared using the historical cost convention, and in accordance with the Companies Act 2006, as applicable to companies using Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

The Company is a subsidiary company and is exempt from the requirement to prepare consolidated financial statements by virtue of section 400 of the Companies Act 2006. These financial statements are therefore separate financial statements.

The financial statements are presented in US Dollars (\$) and all amounts are rounded to the nearest thousand ('000) unless otherwise stated.

1.2 Financial Reporting Standard 101 - Reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial instruments: Disclosures;
- the requirements of paragraphs 91 - 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 - 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Where required, equivalent disclosures are given in the Group's consolidated financial statements which can be obtained as set out in Note 18.

1.3 Changes in accounting policy

The Company has applied the following interpretations, standards and amendments for the first time in their annual reporting period commencing 1 January 2018:

- IFRS 9 Financial Instruments;
- IFRS 15 Revenue from Contracts with Customers;
- IFRIC 22 Foreign Currency Transactions and Advance Consideration; and
- A number of minor amendments to existing standards.

RIO TINTO EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

The adoption of IFRS 9 Financial Instruments resulted in changes to accounting policies but did not have a material impact on the financial statements. The standard replaced the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities; de-recognition of financial instruments; impairment of financial assets; and hedge accounting. The new accounting policies for financial assets and financial liabilities are detailed in notes 1.11 and 1.12 below.

1.4 Going concern

The directors consider that use of the going concern basis of accounting is appropriate. In arriving at this conclusion they have considered the Company's activities, future plans and possible events that could threaten the appropriateness of using the going concern basis. The directors have received an undertaking from Rio Tinto International Holdings Limited, in its capacity as ultimate parent of Rio Tinto France S.A.S, that Rio Tinto France S.A.S will not seek repayment of a loan outstanding until the Company has sufficient funds to do so.

1.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). These financial statements are presented in US Dollars (\$), which is the Company's functional and presentation currency.

(b) Transactions and balances

Transactions denominated in other currencies are converted to the functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at year-end exchange rates. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are translated using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

1.6 Investment income

Dividend income is recognised when the right to receive payment is established. Dividends from subsidiary undertakings registered overseas are presented inclusive of any overseas withholding tax.

1.7 Finance income

Finance income includes interest income. Interest income is recognised on a time proportionate basis using the effective interest method.

1.8 Finance costs

Finance costs includes interest expense and similar charges. Interest expense is recognised on a time proportionate basis using the effective interest method.

1.9 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.10 Taxation

Current tax, including UK corporation tax and overseas tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Except as otherwise required by IAS 12 ("Income Taxes"), deferred tax is provided in full on temporary differences at the balance sheet date.

RIO TINTO EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply in the periods when the asset is realised or the liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets have been recognised to the extent that their recovery is probable, having regard to the availability of sufficient taxable temporary differences relating to the same taxation authority, the projected future taxable income of the entity and the wider UK group, and after taking account of specific risk factors that are expected to affect the recovery of these assets.

1.11 Financial assets

Classification and measurement

The Company classifies its financial assets in the following categories:

- financial assets held at amortised cost
- financial assets held at fair value through other comprehensive income ("FVOCI")
- financial assets held at fair value through profit or loss ("FVPL")

Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of financial assets at initial recognition. Generally, the Company does not acquire financial assets for the purpose of selling in the short term. The Company's business model is primarily that of 'Hold to collect' (where assets are held in order to collect contractual cash flows). When the Company enters into derivative contracts, these transactions are designed to reduce exposures relating to assets and liabilities, firm commitments or anticipated transactions.

Financial assets held at amortised cost

This classification applies to debt instruments which are held under a hold to collect business model and which have cash flows that meet the 'Solely payments of principal and interest' ("SPPI") criteria.

At initial recognition, trade receivables that do not have a significant financing component, are recognised at their transaction price. Other financial assets are initially recognised at fair value plus related transaction costs; they are subsequently measured at amortised cost using the effective interest method. Any gain or loss on de-recognition or modification of a financial asset held at amortised cost is recognised in profit or loss.

Impairment

A forward looking 'expected credit loss' ("ECL") review is required for; debt instruments measured at amortised cost or held at fair value through other comprehensive income; loan commitments and financial guarantees not measured at fair value through profit or loss; lease receivables and trade receivables that give rise to an unconditional right to consideration.

As permitted by IFRS 9, the Company applies the 'simplified approach' to external trade receivable balances and the 'general approach' to all other financial assets. The general approach incorporates a review for any significant increase in counterparty credit risk since inception. The ECL reviews include assumptions about the risk of default and expected loss rates. For external trade receivables, the assessment takes into account the use of credit enhancements, for example, letters of credit. Impairments for undrawn loan commitments are reflected as a provision.

1.12 Financial liabilities

Borrowings and other financial liabilities (including trade payables but excluding derivative liabilities) are recognised initially at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost.

RIO TINTO EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

1.13 Pension and post retirement benefits

On 20 November 2009, the Company became a replacement employer in relation to the CRE Group Employer's Fund (the "CRE Fund") within Industry Wide Coal Staff Superannuation Scheme ("IWCSSS"). The IWCSSS provides benefits on a defined benefit basis and the Company is responsible for 50% of the liabilities in respect of Gastec at CRE Ltd members ("Gastec members") and 100% of the liabilities in respect of the non Gastec members. All amounts recorded in the financial statements reflect the Company's proportionate share of the liabilities. The Company has no active members in the IWCSSS and contributions will only be required in respect of any funding shortfall identified by the triennial actuarial valuation. The assets of the CRE Fund are held under a trust and the Company is the only employer in the Fund.

The difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or liability on the balance sheet. Actuarial gains and losses arising in the year are taken to the statement of comprehensive income.

Pension scheme liabilities have been calculated using a triennial actuarial valuation at 31 December 2015 and 2018 year end FRS 101 assumptions. Other movements in the deficit are recognised in profit and loss, including the current service cost, any past service cost and the effect of any curtailment or settlements.

1.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2 Critical accounting estimates and judgements

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. These judgements and assumptions are based on management's best knowledge of the facts and circumstances, but actual results may differ materially from the amounts included in the financial statements. The estimates and assumptions that could have a significant impact on the results of the Company are set out below.

Defined benefit pension plans

The value of the Company's obligations for post-retirement benefits is dependent on a number of assumptions about salary increases, life expectancy, inflation and asset valuations.

Impairment of non-financial assets

The key area of judgement that has the most significant effect on the amounts recognised in the financial statements is the review for impairment of investment carrying values. The review is performed by comparing the aggregate carrying value of the investments to the recoverable amount of the group of cash-generating units for which the related goodwill is monitored in the Group financial statements.

RIO TINTO EUROPEAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

3 Investment income

	2018 \$ 000	2017 \$ 000
Dividend income	-	800,000
	<u>-</u>	<u>800,000</u>

All 2017 dividend income arose within the United Kingdom.

4 Auditors' remuneration

The audit fee of \$12,564 (2017: \$13,017) is borne by a fellow group undertaking.

5 Employees

The Company has no employees (2017: nil). During the year, none of the directors received any emoluments in respect of their services to the Company (2017: nil).

6 Finance income

	2018 \$ 000	2017 \$ 000
Interest income from fellow group undertakings	75,070	48,723
	<u>75,070</u>	<u>48,723</u>

7 Finance expense

	2018 \$ 000	2017 \$ 000
Interest expense - group undertakings	66,236	34,407
Net interest on defined benefit obligation (Note 12)	104	100
	<u>66,340</u>	<u>34,507</u>

RIO TINTO EUROPEAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

8 Taxation

	2018 \$ 000	2017 \$ 000
Corporation tax		
Current tax on profit for the year	(1,000)	-
Foreign tax		
Foreign tax on income for the year	4,363	2,972
Total current tax	<u>3,363</u>	<u>2,972</u>
Deferred tax		
Origination and reversal of timing differences	65	30
Impact of change in tax rate	(7)	(4)
Adjustments in respect of prior periods	-	(891)
Derecognition of deferred tax asset	4,988	-
Total deferred tax	<u>5,046</u>	<u>(865)</u>
Tax expense in the income statement	<u>8,409</u>	<u>2,107</u>
 Tax recognised in other comprehensive income		
Actuarial (losses)/gains on defined benefit pension plans	76	(97)
Change in tax law and rates	(8)	11
Total tax included in other comprehensive income	<u>68</u>	<u>(86)</u>

The deferred tax asset of \$4,988,316 (\$4,819,748 relating to losses carried forward and \$168,568 relating to pensions) has been derecognised during the year on the basis that there is not expected to be future profits against which the deductible temporary differences can be offset.

RIO TINTO EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017: lower than) the standard rate of corporation tax in UK of 19% for the year ended 31 December 2018 (2017: 19.25%). The differences are reconciled below:

	2018 \$ 000	2017 \$ 000
Loss/(profit) before tax	(659,694)	793,593
Loss/(profit) multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	(125,342)	152,767
Effects of:		
Non-tax deductible impairment	127,099	3,685
Unrelieved foreign tax	3,533	2,125
Derecognition of deferred tax asset	4,988	-
Transfer pricing adjustments	(2,200)	(1,575)
Group relief	338	-
Decrease in current tax from unrecognised temporary difference from a prior period	-	(891)
Change in tax laws and rates	(7)	(4)
Decrease from effect dividends from UK companies	-	(154,000)
Total tax charge for the year	8,409	2,107

Legislation to reduce the main rate of UK corporation tax from 19% to 17% from 1 April 2020 was enacted on 15 September 2016. Any deferred tax balances have been calculated at the reduced rate.

Deferred tax

	2018 \$ 000	2017 \$ 000
Movement in deferred tax asset:		
1 January	5,115	4,163
(Charged)/credited to the income statement	(5,047)	866
(Charged)/credited to other comprehensive income	(68)	86
31 December	-	5,115
Deferred tax assets are attributable to the following:		
Deferred tax on pension liability	-	296
Deferred tax on losses recognised	-	4,819
	-	5,115

RIO TINTO EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

9 Investments

Investment in subsidiaries	\$ 000
Cost	
1 January 2018	13,182,344
31 December 2018	13,182,344
Accumulated Impairment	
1 January 2018	4,024,249
Charge for the year	668,946
31 December 2018	4,693,195
Carrying amount	
31 December 2018	8,489,149
31 December 2017	9,158,095

During the 2018 financial year, an impairment charge relating to the Company's investment in 7999674 Canada Inc. of \$626,976,000 was recorded due a deterioration in some internal and external indicators of value for the Group's Oyu Tologoi cash generating unit in 2018 (the impairment was calculated by reference to the Turquoise Hill Resources Ltd share price at 31 December 2018 which was \$1.65 per share). An impairment charge to the Company's investment in Rio Tinto Minerals Development Limited of \$41,970,000, was also recorded due to uncertainty of future economic benefits arising from the subsidiary's involvement in exploration activities.

10 Receivables

	2018 \$ 000	2017 \$ 000
Current		
Amounts due from group undertakings	1,838,170	2,656,572
Taxation due from group undertakings	1,000	-
	<u>1,839,170</u>	<u>2,656,572</u>

Amounts owed by group undertakings bear interest based on USD LIBOR plus a margin and are repayable on demand.

11 Payables

	2018 \$ 000	2017 \$ 000
Current		
Amounts due to group undertakings	3,022,265	3,845,213
	<u>3,022,265</u>	<u>3,845,213</u>

Included within amounts owed to group undertakings is \$481,579,000 (2017: \$483,661,000) that is interest free and \$2,536,949,000 (2017: \$3,361,552,000) which is interest bearing at one month LIBOR less a margin and is repayable on demand.

RIO TINTO EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

12 Pension commitments

The Company operates a defined benefit pension scheme.

On 20 November 2009, the Company became a replacement employer in relation to the CRE Fund within Industry Wide Coal Staff Superannuation Scheme. The IWCSSS provides benefits on a defined benefit basis and the Company is responsible for 50% of the liabilities in respect of Gastec members and 100% of the liabilities in respect of the non Gastec members. All amount recorded in the financial statements reflect in the Company's proportionate share of the liabilities. The Company has no active members in the IWCSSS and contributions will only be required in respect of any funding shortfall identifies by the triennial actuarial valuation. The assets of CRE Fund are held under a trust.

An annual valuation of the CRE Fund was carried out by independent qualified actuaries on 31 December 2018 under FRS 101 and on this basis the CRE Fund had a deficit of \$992,000 (2017: \$1,734,000) which is reflected in the statement of financial position.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2018 \$ 000	2017 \$ 000
Present value of obligation at the start of the year	10,300	8,118
Interest cost on defined benefit obligations	222	254
Actuarial (gains)/losses	(800)	1,230
Benefits paid	(268)	(167)
Exchange (gains)/losses on foreign schemes	(117)	865
Closing defined benefit obligation	9,337	10,300

	2018 \$ 000	2017 \$ 000
Change in pension plan assets		
Fair value of plan assets at the start of the year	8,566	6,734
Interest income on plan assets	187	216
Administration cost	(68)	(62)
Actuarial (losses)/gains	(402)	723
Contribution by employer	398	404
Benefits paid	(268)	(167)
Exchange (losses)/gains on foreign schemes	(68)	718
	8,345	8,566

RIO TINTO EUROPEAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

12 Pension commitments (continued)

	2018 \$ 000	2017 \$ 000
Fair value of pension plan assets	8,345	8,566
Present value of plan liabilities	(9,337)	(10,300)
Net pension scheme liability	<u>(992)</u>	<u>(1,734)</u>

Composition of plan assets:

	2018 \$ 000	2017 \$ 000
Total pension plan assets	\$ 000	\$ 000
UK equities	493	561
Overseas equities	1,150	1,309
UK corporate bonds	-	3
UK government bonds	2,585	2,637
Property	667	643
Cash and other	3,450	3,413
	<u>8,345</u>	<u>8,566</u>

Amounts recognised in profit and loss

The amount of actuarial gains recognised in other comprehensive income was \$398,000 (2017: loss of \$506,000).

The Company expects to contribute \$419,000 to its defined benefit pension scheme in 2019.

	2018 \$ 000	2017 \$ 000
Interest cost on defined benefit obligation	222	254
Interest income on pension plan assets	(186)	(216)
Administration cost on pension scheme	68	62
Total recognised in profit and loss (Note 7)	<u>104</u>	<u>100</u>

Principal actuarial assumptions

Principal actuarial assumptions at the balance sheet (expressed as weighted averages):

	2018 UK %	2017 UK %
Discount rate	2.80	2.30
Inflation rate (RPI)	3.30	3.20

RIO TINTO EUROPEAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

12 Pension commitments (continued)

	2018 Years	2017 Years
Mortality rates		
- for current pensioners (from age 60)	27.70	27.50
- for future pensioners (from age 60)	28.30	29.20

To develop the expected long term rate of return on assets, the Company considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each investment asset. The expected returns for each asset class was then weighted based on the actual asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory. Mortality assumptions are based on 98% of the S2PNXA year of birth tables with CMI 2015 projections and a 1.50% long term rate of improvement.

The income statement charge included within operating profit includes current service cost, interest cost, past service costs and gains and losses on settlement and curtailment.

	2018	2017
Proportion relating to current employees	0%	0%
Proportion relating to former employees not yet retired	85%	81%
Proportion relating to retirees	15%	19%
	100%	100%
Average duration of obligation (years)	18.17	18.09

13 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No. 000	\$ 000	No. 000	\$ 000
Ordinary share capital of £1.00 each	<u>116,000</u>	<u>168,200</u>	<u>116,000</u>	<u>168,200</u>

RIO TINTO EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

14 Reserves

Other reserves

In 2000, the Company's share capital, share premium, capital reserves and other reserves were 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.

Retained earnings

Retained earnings of \$7,071,667,000 (2017: \$7,739,440,000) includes an accumulated investment impairment provision since 2010 of \$4,220,061,000 at 31 December 2018 (2017: \$3,551,115,000). The directors consider the value of the remaining investments in subsidiaries is more than their book value and, as permitted by Companies Act 2006 s841, diminutions in the value of investments in subsidiaries, associates and joint ventures may in certain conditions be treated as unrealised losses. Accordingly, the directors believe that, subject to any applicable legal review at the time of a future distribution, some of the accumulated impairment losses may be disregarded for the purposes of determining the distributable reserves of the Company.

15 Commitments

15.1 Operating lease commitments

The Company, together with Rio Tinto London Limited ("RTLL"), is party to two lease agreements both on full repairing and insuring terms. RTLL is bearing the full cost of both leases and no lease commitment arose for the Company.

15.2 Other financial commitments

RTLL disposed of its freehold interest in 6 St James's Square, London to Pontegadea UK Limited in return for which RTLL was granted a 15 year lease of approximately 80% of the premises. Under the sale and lease back arrangements, Rio Tinto European Holdings Limited has agreed to guarantee the obligations of RTLL as tenant.

16 Related party transactions

The Company has taken advantage of the exemption contained within paragraph 8(k) of FRS 101, and has not disclosed transactions entered into with wholly-owned group entities.

17 Post balance sheet events

There have been no significant events affecting the Company since the year end.

18 Parent and 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. Copies of the Rio Tinto plc consolidated financial statements can be obtained from the registered office at 6 St James's Square, London, SW1Y 4AD or from the Rio Tinto website at www.riotinto.com.

19 Related undertakings

In accordance with section 409 of the Companies Act 2006, disclosed below is a full list of related undertakings of the Company. Related undertakings include "subsidiaries", "associated undertakings", and "significant holdings in undertakings other than subsidiary companies". The registered office address, country of incorporation, classes of shares and the effective percentage of equity owned by the Company calculated by reference to voting rights, is disclosed as at 31 December 2018.

RIO TINTO EUROPEAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

19.1 Direct holdings

Name of holding	Country of incorporation	Registered address	Share class	% of share class held
46106 YUKON INC.	Canada	200-204 Lambert Street, Whitehorse YT Y1A 3T2, Canada	CAD Common shares	100%
7999674 CANADA INC.	Canada	400-1190 des Canadiens-de- Montreal Avenue, Montreal Quebec H3B 0E3, Canada	CAD Common shares	100%
Rio Tinto Brazilian Holdings Limited	United Kingdom	6 St James's Square, London, SW1Y 4AD, United Kingdom	£1.00 Ordinary shares	100%
			US\$1.00 Ordinary shares	100%
Rio Tinto Brazilian Investments Limited	United Kingdom	6 St James's Square, London, SW1Y 4AD, United Kingdom	£1.00 Ordinary shares	100%
			US\$1.00 Ordinary shares	100%
Rio Tinto Diamonds NV	Belgium	Hoveniersstraat 53, 2018 Antwerp, Belgium	EUR Ordinary shares	100%
Rio Tinto London Limited	United Kingdom	6 St James's Square, London, SW1Y 4AD, United Kingdom	£1.00 Ordinary shares	100%

RIO TINTO EUROPEAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

Rio Tinto Metals Limited	United Kingdom	6 St James's Square, London, SW1Y 4AD, United Kingdom	£1.00 Ordinary shares	100%
			US\$1.00 Ordinary shares	100%
Rio Tinto Minerals Development Limited	United Kingdom	6 St James's Square, London, SW1Y 4AD, United Kingdom	£0.25 Ordinary shares	100%
Rio Tinto Uranium Limited	United Kingdom	6 St James's Square, London, SW1Y 4AD, United Kingdom	US\$1.00 Ordinary shares	100%
Rio Tinto Western Holdings Limited	United Kingdom	6 St James's Square, London, SW1Y 4AD, United Kingdom	£1.00 Ordinary shares	100%
			US\$1.00 Ordinary shares	100%

19.2 Indirect holdings

Name of holding	Country of incorporation	Registered address	Share class	% of share class held
201 Logistics Center, LLC*	United States	Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, United States	-	50%
Alcan Composites Brasil Ltda	Brazil	Avenida das Nações Unidas, 10.989, 14th floor, Suite 141, São Paulo, 04578-000, Brazil	BRL0.01 Ordinary shares	100%
Alcan Corporation	United States	CSC, 211 East 7th Street, Suite 620, Austin TX 78701-3218, United States	US\$0.01 Ordinary shares	100%

RIO TINTO EUROPEAN HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

Alcan International Network U.S.A. Inc.	United States	CSC, 80 State Street, Albany NY 12207-2543, United States	US\$ Ordinary shares	92.9%
Alcan Primary Products Company LLC	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$ Units shares	100%
Alcan Primary Products Corporation	United States	CSC, 211 East 7th Street, Suite 620, Austin TX 78701-3218, United States	US\$0.01 Ordinary shares	100%
Aluminerie De Bécancour, Inc.	Canada	5555 Pierre Thibault Street, PO 30 Bécancour, Quebec G0X 1B, Canada	CAD1.00 Ordinary shares	25.2%
CIA. Inmobiliaria e Inversiones Cosmos S.A.C.	Peru	Av. Santa Maria No. 110 Urb. Miraflores - MIRAFLORES - LIMA, Peru	PEN1,000.00 Ordinary shares	100%
Compania de Transmision Sierraoriente S.A.C.	Peru	Av. Santa Maria No. 110 Urb. Miraflores - MIRAFLORES - LIMA, Peru	PEN1,000.00 Ordinary shares	100%
Daybreak Development LLC	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$0.01 Common shares	100%
Daybreak Property Holdings LLC*	United States	CSC, 15 West South Temple, Suite 1701, Salt Lake City UT 84101, United States	-	100%
Daybreak Secondary Water Distribution Company	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$0.01 Common shares	100%
Daybreak Water Holding LLC	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$0.01 Common shares	100%

RIO TINTO EUROPEAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

DB Medical I LLC	United States	CSC, 15 West South Temple, Suite 1701, Salt Lake City UT 84101, United States	US\$ Units shares	100%
DBVC1 LLC*	United States	CSC, 15 West South Temple, Suite 1701, Salt Lake City UT 84101, United States	-	100%
Eastland Management Inc.	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$1.00 Common shares	100%
Empresa de Mineracao Finesa Ltda.	Brazil	SIA, Trecho 2, Lotes 710/720, Brasilia DF, Brazil	BRL Quotas shares	49%
Enarotali Gold Project Limited	Jersey	13 Castle Street, St Helier, Jersey JE4 5UT, Jersey	£0.001 Ordinary shares	25%
Fabrica De Plasticos Mycsa, S.A.	Bolivarian Republic of Venezuela	Urbanización Industrial San Ignacio, parcela 2-A, vía San Pedro, Los Teques, Estado Miranda, Bolivarian Republic of Venezuela	VEF1.00 Common shares	49%
Flambeau Mining Company	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$0.01 Common shares	100%
Green Mountain Mining Venture*	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	-	100%
Henlopen Manufacturing Co., Inc.	United States	CSC, 80 State Street, Albany NY 12207-2543, United States	US\$100.00 Ordinary shares	100%

RIO TINTO EUROPEAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

High Purity Iron Inc.	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$1.00 Common shares	100%
Industrias Metalicas Castello S.A.	Spain	Calle Tuset 10, 08006, Barcelona, Catalogna, Spain	€6.01 Ordinary shares	100%
Integrity Land and Cattle LLC	United States	CSC, 2338 W. Royal Palm Road, Suite J, Phoenix AZ 85021	US\$ Units shares	100%
Kennecott Barneys Canyon Mining Company	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$0.01 Common shares	100%
Kennecott Exploration Company	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$0.01 Common shares	100%
Kennecott Exploration Mexico, S.A. de C.V.	Mexico	Felix Berenguer 125 - 4, Col. Lomas Virreyes Distrito Federal, 11000, Mexico	MXN1,000.00 Ordinary shares	100%
Kennecott Holdings Corporation	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$0.01 Common shares	100%
Kennecott Land Company	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$0.01 Common shares	100%
Kennecott Land Investment Company LLC*	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	-	100%
Kennecott Molybdenum Company	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$0.01 Common shares	100%
Kennecott Nevada Copper Company	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$0.01 Common shares	100%

RIO TINTO EUROPEAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

Kennecott Ridgeway Mining Company	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$1.00 Common shares	100%
Kennecott Royalty Company	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$100.00 Common shares	100%
Kennecott Services Company	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$0.01 Common shares	100%
Kennecott Uranium Company	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$0.01 Common shares	100%
Kennecott Utah Copper LLC	United States	CSC, 15 West South Temple, Suite 1701, Salt Lake City UT 84101, United States	US\$ Units shares	100%
Kennecott Water Distribution LLC	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$ Ordinary shares	100%
Lao Sanxai Minerals Company Limited	Lao People's Democratic Republic	5th Floor, ANZ Bank Building, 33 Lane Xang Avenue, Hatsady Village, Chanthaboury District, Vientiane Capital, Lao People's Democratic Republic	US\$1.00 Ordinary shares	70%
Magma Arizona Railroad Company	United States	CSC, 2338 W. Royal Palm Road, Suite J, Phoenix AZ 85021, United States	US\$100.00 Common shares	54.9%
Minera Escondida Ltda*	Chile	Av. Cerro Plomo, Piso 18, Las Condes, Santiago, 7580154, Chile	-	30%

RIO TINTO EUROPEAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

Minera Kennecott, S.A. de C.V.	Mexico	Florencia 57, Piso 3, Col. Juarez, Delegacion, Cuauhtemoc, Mexico, D.F., 06600, Mexico	MXN1.00 Series "B" shares	100%
Mineracao Tabuleiro Ltda	Brazil	SIA, Trecho 2, Lotes 690/720, Brasilia DF, Brazil	BRL Quotas shares	100%
Pacific Coast Mines, Inc.	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$1.00 Common shares	100%
Pechiney Bécancour, Inc.	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$1.00 Ordinary shares	100%
Pechiney Cast Plate, Inc.	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$1.00 Ordinary shares	100%
Pechiney Holdings, Inc.	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$1.00 Ordinary shares	100%
Pechiney Metals LLC*	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	-	100%
Pechiney Plastic Packaging, Inc.	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$Ordinary shares	100%
Pechiney Reynolds Quebec, Inc.	United States	CSC, 233 South 13th Street, Suite 1900, Lincoln NE 68508, United States	US\$10.00 Common shares	50.2%
			US\$100.00 Preferred shares	50.2%
Pechiney Sales Corporation	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$1.00 Ordinary shares	100%

RIO TINTO EUROPEAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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Resolution Copper Company	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$0.01 Common shares	100%
Resolution Copper Mining LLC*	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	-	55%
Rio Sava Exploration DOO*	Serbia	Resavska 23, 11000 Beograd, Beograd, 11000, Serbia	-	100%
Rio Tinto America Holdings Inc.	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$0.01 Class A Common shares	100%
			US\$100.00 Series A Preferred Stock shares	100%
Rio Tinto America Inc.	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$100.00 Common shares	100%
Rio Tinto AuM Company	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$0.01 Common shares	100%
Rio Tinto Commercial Americas Inc.	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$0.01 Common shares	100%
Rio Tinto Desenvolvimento Minerais Ltda.	Brazil	SIG Quadra 04, Lote 175, Torre A, Salas 106 a 109, Edificio Capital Financial Center, Brasilia, CEP 70610-440, Brazil	BRL Quotas shares	100%
Rio Tinto Energy America Inc.	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$0.01 Common shares	100%

RIO TINTO EUROPEAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

Rio Tinto Escondida Limited	Bermuda	22 Canon's Court, Victoria Street, Hamilton, HM 12, Bermuda	US\$1.00 Common shares	100%
Rio Tinto Exploration Dunav d.o.o. Beograd-Vracar	Serbia	Resavska 23, Belgrade-Vracar, 11000 Belgrade, Serbia	-	100%
Rio Tinto Exploration India Private Limited	India	Apartment No.100 A/5, Ground Floor, The Capital Court, Olof Palme Marg, Munirka, NEW DELHI 110067, India	INR10.00 Ordinary shares	100%
Rio Tinto Exploration Kazakhstan LLP*	Kazakhstan	Dostyk 310/G, Almaty, Kazakhstan, 050020, Kazakhstan	-	100%
Rio Tinto Exploration Zambia Limited	Zambia	Plot 3827, Parliament Road, Olympia, Lusaka, Zambia	ZMW1.00 Ordinary shares	100%
Rio Tinto Holdings LLC	Mongolia	Level 17, Shangri-La Center Olympic Street-19, Khoroo 1, Sukhbaatar District, Ulaanbaatar, 14241, Mongolia	MNT20,000.00 Ordinary shares	100%
Rio Tinto Hydrogen Energy LLC*	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	-	100%
Rio Tinto Iron & Titanium Limited	United Kingdom	6 St James's Square, London, SW1Y 4AD, United Kingdom	£1.00 Ordinary shares	100%
Rio Tinto Marketing Services Limited	United Kingdom	6 St James's Square, London, SW1Y 4AD, United Kingdom	£1.00 Ordinary shares	100%

RIO TINTO EUROPEAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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Rio Tinto Medical Plan Trustees Limited	United Kingdom	6 St James's Square, London, SW1Y 4AD, United Kingdom	£1.00 Ordinary shares	100%
Rio Tinto Minera Peru Limitada SAC	Peru	Av. La Paz 1049, Oficina 501, Lima 18, Peru	PEN100.00 Ordinary shares	100%
Rio Tinto Minerals Exploration (Beijing) Co., Ltd	China	Units 15 - 16, 18/F, China World Office Building 2, No. 1 Jianguomenwai Dajie, Chaoyang District, Beijing, China	US\$1.00 Ordinary shares	100%
Rio Tinto Minerals Inc.	United States	CSC, 15 West South Temple, Suite 1701, Salt Lake City UT 84101, United States	US\$0.01 Common shares	100%
Rio Tinto Mining and Exploration Inc.	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$1.00 Common shares	100%
Rio Tinto Mining and Exploration Limited	United Kingdom	6 St James's Square, London, SW1Y 4AD, United Kingdom	£1.00 Ordinary shares	100%
			US\$1.00 Ordinary shares	100%
Rio Tinto Mining and Exploration S.A.C.	Peru	Calle General Borgono N 1034, Miraflores, Lima 18, Peru	PEN0.50 Ordinary shares	100%
Rio Tinto Nominees Limited	United Kingdom	6 St James's Square, London, SW1Y 4AD, United Kingdom	£1.00 Ordinary shares	100%
Rio Tinto Orissa Mining Private Ltd	India	GA-539, Sailashree Vihar, Chandrasekharapur Bhubaneswar, Khordha, Orissa, 751021, India	INR100.00 Ordinary shares	51%

RIO TINTO EUROPEAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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Rio Tinto Peru Limited	United Kingdom	6 St James's Square, London, SW1Y 4AD, United Kingdom	US\$1.00 Ordinary shares	100%
Rio Tinto Secretariat Limited	United Kingdom	6 St James's Square, London, SW1Y 4AD, United Kingdom	£1.00 Ordinary shares	100%
Rio Tinto Services Inc.	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$0.01 Common shares	100%
Rio Tinto Technological Resources Inc.	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$0.01 Common shares	100%
Skymont Corporation	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$ Common shares	100%
Sohio Western Mining Company	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$100.00 Common Shares	100%
Swift Current Land & Cattle LLC*	United States	CSC, 2338 W.Royal Palm Road, Suite 5, Phoenix AZ 85021	-	100%
The Pyrites Company, Inc.	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$1.00 Common shares	100%
Thos. W. Ward Limited	United Kingdom	6 St James's Square, London, SW1Y 4AD, United Kingdom	£0.25 Ordinary shares	100%
Three Crowns Insurance Company Limited	Bermuda	Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda	£1.00 Common shares	100%
U.S. Borax Inc.	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$0.10 Common shares	100%

RIO TINTO EUROPEAN HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

Waste Solutions and Recycling LLC	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$ Units shares	100%
Wyoming Coal Resources Company	United States	CSC, 251 Little Falls Drive, Wilmington DE 19808, United States	US\$0.01 Common shares	100%

(*) Ownership is held through an interest in capital. The entity has no classes of shares.