

COMPANY NUMBER 01026288

**RIO TINTO OVERSEAS SERVICES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

September 2009



Company Information

DIRECTORS: R P Dowding
B J S Mathews
M J Whyte

SECRETARY: M J Whyte

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 and audited financial statements for the year ended 31 December 2008.

BUSINESS REVIEW

Rio Tinto Overseas Services Limited (the "Company") is a wholly owned subsidiary of Rio Tinto London Limited and a member of the Rio Tinto Group (the "Group"). The Company continues to provide management services to an overseas company and is expected to do so for the foreseeable future.

The Company's future developments are integrated with those of the Group which are discussed in its 2008 Annual report and Full financial statements which do not form part of this report.

The Company's profit for the year was £18,000 (2007: £21,000). 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 principal risks and uncertainties of the Group are 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 M J Whyte was appointed as director on 1 September 2008.

No director had a material interest in any contract or arrangement during the year to which the Company 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 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.

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

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

INDEMNITIES AND INSURANCE

The Group purchased directors' and officers' insurance during the year to indemnify individual directors' and officers' personal legal liability and costs for claims arising out of actions taken in connection with the Group's business.

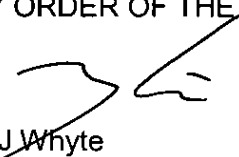
AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITORS

The auditors, PricewaterhouseCoopers LLP, are deemed to have been re-appointed in accordance with an elective resolution passed under Section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006, at the end of the period of 28 days beginning on the day on which copies of this report and financial statements are sent to members unless a resolution is passed under Section 510 of the Companies Act 2006 to the effect that their appointment be brought to an end.

In so far as the directors are aware:

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

BY ORDER OF THE BOARD



M J Whyte
Secretary
2 Eastbourne Terrace
London W2 6LG
22 September 2009

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RIO TINTO OVERSEAS SERVICES LIMITED**

We have audited the financial statements of Rio Tinto Overseas Services 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 profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
22 September 2009

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008**

| | Note | <u>2008</u> £000 | <u>2007</u> £000 |
|---|------|---------------------|---------------------|
| Turnover | 1 | 151 | 135 |
| Operating costs | 2 | (140) | (126) |
| Operating profit | | 11 | 9 |
| Interest receivable from banks | | 7 | 12 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 18 | 21 |
| Taxation on profit on ordinary activities | 3 | - | - |
| PROFIT FOR THE YEAR | | 18 | 21 |

The notes on pages 8 to 10 form part of these financial statements.

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.

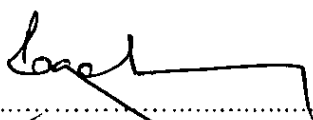
All items dealt with in the above profit and loss account relate to continuing operations.

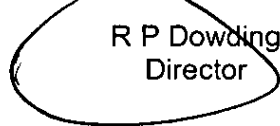
**BALANCE SHEET
AS AT 31 DECEMBER 2008**

| | Note | <u>2008</u> £000 | <u>2007</u> £000 |
|--|------|---------------------|---------------------|
| CURRENT ASSETS | | | |
| Cash at bank | | - | 217 |
| Debtors | 4 | 297 | - |
| | | <u>297</u> | <u>217</u> |
| CURRENT LIABILITIES | | | |
| Creditors: Amounts falling due within one year | 5 | (192) | (130) |
| | | <u>105</u> | <u>87</u> |
| NET ASSETS | | | |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 6 | - | - |
| Profit and loss account | 7 | 105 | 87 |
| EQUITY SHAREHOLDERS' FUNDS | 7 | <u>105</u> | <u>87</u> |

The notes on pages 8 to 10 form part of these financial statements.

The financial statements on pages 6 to 10 were approved by the Board of Directors on 22 September 2009 and signed on its behalf by:




 R P Dowding
 Director

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 directors have reviewed the Company's existing accounting policies and consider that they are suitable. The principal accounting policies have been consistently applied.

b) Turnover

Turnover for the year represents fees receivable in respect of services provided to an overseas group company. Turnover is recognised by the Company over the period in which services are provided.

c) 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 denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial year. Exchange differences are dealt with in the profit and loss account.

d) Taxation

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

e) 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.

2. OPERATING COSTS

- a) The Company has no employees. An average of 2 persons (2007: 2), who work on behalf of the Company, are employed by a fellow group company. This fellow group company recharged these costs as administrative costs to the Company.
- b) No emoluments were paid to any of the directors in respect of their services to the Company (2007: nil).
- c) The auditors' remuneration of £6,754 (2007: £6,240) is borne by a fellow group undertaking.

NOTES TO THE 2008 FINANCIAL STATEMENTS (continued)

3. TAXATION

| | <u>2008</u> £000 | <u>2007</u> £000 |
|---|---------------------|---------------------|
| Current tax: | | |
| UK corporation tax on profits of the year | - | - |
| Tax on profit on ordinary activities | - | - |

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

| | <u>2008</u> £000 | <u>2007</u> £000 |
|---|---------------------|---------------------|
| Profit on ordinary activities before tax | 18 | 21 |
| Profit on ordinary activities multiplied by standard rate of tax in the UK of 28.5% (2007: 30%) | 5 | 6 |
| Effects of: | | |
| Group relief surrendered from other companies without charge | (5) | (6) |
| Current tax charge for the year | - | - |

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

4. DEBTORS

| | <u>2008</u> \$000 | <u>2007</u> \$000 |
|--|----------------------|----------------------|
| Amounts due from fellow subsidiary undertaking | 297 | - |

5. CREDITORS: Amounts falling due within one year

| | <u>2008</u> £000 | <u>2007</u> £000 |
|---|---------------------|---------------------|
| Amounts due to parent undertaking | 192 | 125 |
| Amounts due to other Group undertakings | - | 5 |
| | 192 | 130 |

NOTES TO THE 2008 FINANCIAL STATEMENTS (continued)

6. SHARE CAPITAL

| | <u>2008</u> £000 | <u>2007</u> £000 |
|--------------------------------------|---------------------|---------------------|
| Authorised: | | |
| 1,000,000 ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |
| Issued, called up and fully paid: | | |
| 2 ordinary shares of £1 each | <u>-</u> | <u>-</u> |

7. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

| | <u>Share capital</u> £000 | <u>Profit and loss account</u> £000 | <u>Total</u> £000 |
|---------------------|----------------------------------|--|----------------------|
| At 1 January 2008 | - | 87 | 87 |
| Profit for the year | - | 18 | 18 |
| | <u>-</u> | <u>105</u> | <u>105</u> |
| At 31 December 2008 | - | 105 | 105 |

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

9. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Rio Tinto London 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 the Company's registered office at 2 Eastbourne Terrace, London, W2 6LG, or from the Rio Tinto website at www.riotinto.com.