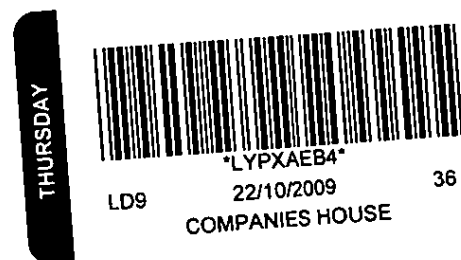


COMPANY No. 03075230

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



October 2009

RIO TINTO MARKETING SERVICES LIMITED

Company Information

DIRECTORS: Mr B J S Mathews
Mr R P Dowding
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, together with the audited financial statements for the year ended 31 December 2008.

BUSINESS REVIEW

Rio Tinto Marketing Services Limited ("the Company") is a wholly owned subsidiary of Rio Tinto London Limited. The Company provides marketing and other management services to companies owned by Rio Tinto ("the Group"), and will continue 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 profit for the year was £241,000 (2007: £286,000). No interim dividend was paid during the year. The directors do not recommend the payment of a final dividend

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's principal risks and uncertainties are also 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 B J S Mathews, Mr R P Dowding and Mr J Whyte were appointed as directors effective 29 June 2009. Mr R W Payne was appointed a director effective 3 December 2008 and resigned with effect from 29 June 2009. Mr A G Hamilton resigned with effect from 3 December 2008, Mr S C Farry resigned with effect from 1 April 2009 and Ms E Model resigned with effect from 29 June 2009.

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.

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.

REPORT OF THE DIRECTORS (continued)

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.

POLICY REGARDING PAYMENT OF TRADE CREDITORS

It is the Company's policy to abide by the terms of payment agreed with suppliers. In many cases, the terms of payment are as stated in the suppliers' own literature. In other cases, the terms of payment are determined by specific oral agreement. The Company does not follow any published code on standard payment practice. At 31 December 2008, there were 46 days purchases outstanding (2007: 48 days) in respect of the total invoiced by suppliers during the period.

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



Director

2 Eastbourne Terrace
London W2 6LG
16 October 2009

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

We have audited the financial statements of Rio Tinto Marketing 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
16 October 2009

RIO TINTO MARKETING SERVICES LIMITED

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

	Note	<u>2008</u> £000	<u>2007</u> £000
Turnover		3,311	3,257
Operating costs		(3,198)	(3,026)
		<hr/>	<hr/>
Operating profit	2	113	231
Interest receivable and similar income	4	262	103
		<hr/>	<hr/>
Profit on ordinary activities before taxation		375	334
Taxation	5	(134)	(48)
		<hr/>	<hr/>
Profit for the year		<u>241</u>	<u>286</u>

The notes on pages 8 to 12 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.

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

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

RIO TINTO MARKETING SERVICES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	<u>2008</u> £000	<u>2007</u> £000
FIXED ASSETS			
Tangible assets	6	-	12
CURRENT ASSETS			
Debtors	7	4,029	1,487
Cash at bank and in hand	8	-	1,774
		<u>4,029</u>	<u>3,261</u>
CURRENT LIABILITIES			
CREDITORS: Amounts falling due within one year	9	(2,488)	(1,973)
		<u>1,541</u>	<u>1,288</u>
NET CURRENT ASSETS			
		<u>1,541</u>	<u>1,300</u>
NET ASSETS			
		<u>1,541</u>	<u>1,300</u>
CAPITAL AND RESERVES			
Called up share capital	10	-	-
Profit and loss account	11	1,541	1,300
		<u>1,541</u>	<u>1,300</u>
EQUITY SHAREHOLDERS' FUNDS	11	<u>1,541</u>	<u>1,300</u>

The notes on pages 8 to 12 form part of these financial statements.

The financial statements on pages 6 to 12 were approved by the Board of Directors on 16 October 2009 and signed on its behalf by:


 Director

NOTES TO THE 2008 FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

a) Basis of Accounting

The 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 applied consistently.

b) Turnover

Turnover for the year represents the value of services provided to fellow Group and related undertakings, together with commissions and similar income receivable from fellow group and related undertakings. Turnover is recognised over the period in which services are provided. No analysis of segmental revenue by region has been provided as the Company is not managed on such a basis. This type of analysis is not meaningful to the users of the financial statements.

c) Depreciation

Depreciation is provided on a straight-line basis over estimated asset lives using the following annual rates:

Motor vehicles	25%
Office equipment, fixtures and fittings	20% - 33%

d) 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.

e) 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 rate of exchange ruling at the end of the financial year. Exchange differences are recognised with in the profit and loss account.

f) Taxation

The Company pays for or receives payment for any Group relief received only where it is justified by commercial circumstances.

2. OPERATING PROFIT

	<u>2008</u> £000	<u>2007</u> £000
Operating profit is stated after charging:		
Bad debt provision	78	-
Depreciation of tangible fixed assets	12	12

a) The auditors' remuneration of £15,000 (2007: £9,000) is borne by the immediate parent undertaking.

b) The Company has no employees. An average of 16 persons (2007: 21), who work on behalf of the Company, are employed by a fellow group company. This fellow group company recharged these costs as operating costs to the Company.

NOTES TO THE 2008 FINANCIAL STATEMENTS (continued)

3. DIRECTORS' EMOLUMENTS

	<u>2008</u> <u>£000</u>	<u>2007</u> <u>£000</u>
(a) Aggregate remuneration of the directors:		
Aggregate emoluments	<u>319</u>	<u>619</u>
Amounts receivable under long term incentive schemes (excluding shares and share options)	<u>27</u>	<u>-</u>
The number of directors to whom retirement benefits are accruing under defined benefit pension schemes in respect of qualifying services	<u>1</u>	<u>1</u>
The number of directors in respect of whose qualifying services shares were received or receivable under long-term incentive schemes	<u>1</u>	<u>-</u>
The number of directors who exercised share options	<u>-</u>	<u>1</u>
	<u>2008</u> <u>£000</u>	<u>2007</u> <u>£000</u>
(b) Highest paid director		
Aggregate emoluments and benefits (excluding gains on exercise of share options and value of shares) received under long-term incentive schemes.	<u>195</u>	<u>259</u>
Accrued pension entitlement on retirement (per annum)	<u>-</u>	<u>-</u>
Accrued pension entitlement on retirement (cash balance)	<u>-</u>	<u>-</u>

4. INTEREST RECEIVABLE

	<u>2008</u> <u>£000</u>	<u>2007</u> <u>£000</u>
Bank interest receivable	<u>262</u>	<u>103</u>

NOTES TO THE 2008 FINANCIAL STATEMENTS (continued)

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>2008</u> £000	<u>2007</u> £000
Current tax:		
UK Corporation tax at 28.5% (2007: 30%) based on taxable profit for the year	107	49
Adjustments in respect of previous years	23	(1)
	<u>130</u>	<u>48</u>
Deferred tax:		
Origination and reversal of timing differences	4	-
	<u>4</u>	<u>-</u>
Total tax	<u>134</u>	<u>48</u>

The current tax assessed for the year is higher (2007: 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	<u>375</u>	<u>334</u>
Profit on ordinary activities before tax multiplied by standard rate of tax in the UK of 28.5% (2007: 30%)	107	100
Effects of:		
Expenses not deductible for tax purposes	3	10
Capital allowances and other timing differences	(3)	-
Other timing differences	-	(61)
Adjustment to tax charge in respect of previous years	23	(1)
	<u>130</u>	<u>48</u>

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

NOTES TO THE 2008 FINANCIAL STATEMENTS (continued)

6. TANGIBLE FIXED ASSETS

	Office equipment, fixtures and fittings £000	Motor vehicles £000	Total £000
<u>Cost</u>			
At 1 January and 31 December	118	29	147
<u>Accumulated depreciation</u>			
At 1 January	113	22	135
Charge for the year	5	7	12
At 31 December	118	29	147
<u>Net book value</u>			
At 1 January	5	7	12
At 31 December	-	-	-

7. DEBTORS

	<u>2008</u> £000	<u>2007</u> £000
Amounts falling due within one year:		
Amounts owed by ultimate parent and fellow subsidiary undertakings	4,002	1,395
Other debtors	22	40
Prepayments	-	43
	4,024	1,478
Amounts falling due after more than one year:		
Deferred tax	5	9
Total debtors	4,029	1,487

Deferred tax assets of £5,242 (2007: £9,348) in respect of depreciation in advance of capital allowances have been recognised in the financial statements.

NOTES TO THE 2008 FINANCIAL STATEMENTS (continued)

8. CASH AT BANK

Under a Group banking arrangement, nil (2007: £1,774,000) forms part of an offset arrangement whereby balances could be used to settle the overdrafts of other companies within the Group.

9. CREDITORS: Amounts falling due within one year

	<u>2008</u> £000	<u>2007</u> £000
Amounts payable to ultimate parent and fellow subsidiary undertakings	1,856	1,216
Trade creditors	4	61
Accruals	384	333
Shareholder's loan	-	250
Tax payable	244	114
	<u>2,488</u>	<u>1,974</u>

10. SHARE CAPITAL

	<u>2008</u> £000	<u>2007</u> £000
Authorised: 1,000,000 Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>
Issued, called up and fully paid: 2 Ordinary shares of £1.00 each	<u>-</u>	<u>-</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>Share capital</u> £000	<u>Profit and loss account</u> £000	<u>Total</u> £000
At 1 January	-	1,300	1,300
Profit for the year	-	241	241
	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December	<u>-</u>	<u>1,541</u>	<u>1,541</u>

12. 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 No.1 exempting inclusion are satisfied. The Company is also exempt under the terms of Financial Reporting Standard No. 8 from disclosing related party transactions with entities that are part of the Group or investees of the Group.

13. 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 financial statements of can be obtained from 2 Eastbourne Terrace, London, W2 6LG, or from the Rio Tinto website at www.riotinto.com.