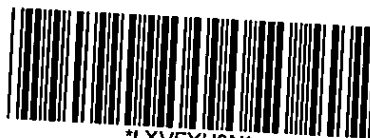


COMPANY NUMBER 05524741

RIO TINTO VOSTOK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2006

THURSDAY



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COMPANIES HOUSE

October 2007

DIRECTORS	D S Larsen	– appointed 1 January 2006
	C Lenon	– appointed 8 August 2005
	B J S Mathews	– appointed 1 August 2007
	I C Ratnage	– appointed 8 August 2005
	A Zur	– appointed 1 December 2005

SECRETARY	R P Dowding
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REGISTERED OFFICE	6 St James's Square London SW1Y 4LD
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AUDITORS	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
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REPORT OF THE DIRECTORS

The directors present their report, together with the audited financial statements for the period ended 31 December 2006

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

Rio Tinto Vostok Limited is a wholly owned subsidiary of Rio Tinto plc and maintains a representative office in Moscow that provides services to other members of the Rio Tinto Group

The company was incorporated on 2 August 2005 as "Rio Tinto Kali Limited" and adopted the name "Rio Tinto Vostok Limited" on 2 November 2005

The profit for the period was \$6,000

No interim dividend was paid during the period. The directors do not recommend the payment of a final dividend

FUTURE DEVELOPMENTS

The company's future developments are integrated with those of the Rio Tinto Group which are discussed in its 2006 Annual report and financial statements which do not form part of this report

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's principal risks and uncertainties are integrated with those of the Rio Tinto Group and are not managed separately. The principal risks and uncertainties of the Rio Tinto Group are discussed in its 2006 Annual report and 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 R Merton was appointed as a director on 8 August 2005 and resigned on 31 December 2005, Mr N Kieser was appointed as a director on 1 December 2005 and resigned on 27 October 2006, Mr P L Cunningham was appointed as a director on 1 December 2005 and resigned on 31 August 2007, and Mrs A V Lawless was appointed as a director on 8 August 2005 and resigned on 31 July 2007

No director had a material interest in any contract or arrangement during the year to which the company is or was a party

REPORT OF THE DIRECTORS (continued)**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 of the company 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 2006 Annual report and financial statements present a true and fair view and have been prepared in accordance with applicable accounting standards, using the most appropriate accounting policies, and supported by reasonable and prudent judgements and estimates. The accounting policies have been consistently applied.

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

INDEMNITIES AND INSURANCE

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

AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITORS

Elective resolutions to dispense with holding annual general meetings, the laying of financial statements before the company in general meetings and the appointment of auditors are currently in force. The auditors, PricewaterhouseCoopers LLP, will therefore be deemed to have been re-appointed 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 393 of the Companies Act 1985 to the effect that their appointment be brought to an end.

Each of the directors at the time this report was approved has confirmed that

- so far as he or she is aware, there is no relevant audit information (ie information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- he or she has taken all steps that they ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the auditors are aware of that information.

BY ORDER OF THE BOARD



R P Dowding
Secretary
3 October 2007

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

We have audited the financial statements of Rio Tinto Vostok Limited for the period ended 31 December 2006 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 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 Directors' Report 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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 judgments 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 2006 and of its profit for the period then ended,
- The financial statements have been properly prepared in accordance with the Companies Act 1985, and
- The information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

23 October 2007

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2006

	Note	2 August 2005 to 31 December 2006 \$000
Turnover	1	350
Operating costs	2	<u>(343)</u>
Operating profit		<u>7</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7
Taxation on profit on ordinary activities	4	<u>(1)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>6</u>

MOVEMENT IN RETAINED EARNINGS

At 2 August 2005	-
Retained profit for the period	<u>6</u>
At 31 December 2006	<u>6</u>

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 retained profit for the year stated above and their historical cost equivalents

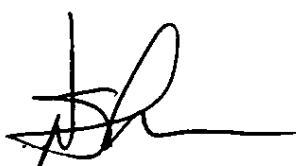
All items dealt with in the above profit and loss account relate to continuing operations

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

BALANCE SHEET AS AT 31 DECEMBER 2006

	Note	<u>2006</u> \$000
FIXED ASSETS	5	57
CURRENT ASSETS		
Debtors	6	350
Cash at bank		<u>37</u>
		387
CREDITORS Amount due within one year	7	<u>(437)</u>
NET CURRENT LIABILITIES		<u>(50)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7</u>
CREDITORS Amounts falling due after more than one year	7	(1)
NET ASSETS		<u><u>6</u></u>
CAPITAL AND RESERVES		
Called up share capital	9	-
Profit and loss account		<u>6</u>
EQUITY SHAREHOLDERS' FUNDS		<u><u>6</u></u>

The financial statements on pages 6 to 12 were approved by the Board of Directors on 3 October 2007 and signed on its behalf by



D S Larsen, Director

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

NOTES TO THE 2006 FINANCIAL STATEMENTS

1 ACCOUNTING POLICIESa) Basis of Accounting

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable UK accounting standards. The principal accounting policies are set out below.

The company has adopted FRS 20, 'Share-based payment' during the period. However, there has been no impact of adopting this standard on current period financial statements.

b) Turnover

Turnover for the year represents fees receivable in respect of services provided to a group company.

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 period. Exchange differences are dealt with in the profit and loss account.

d) Depreciation

Depreciation is provided on a straight-line basis over each asset's estimated useful economic life, with annual rates varying between 20% and 25%.

e) Post Retirement Benefits

The Company participates in one pension scheme, the Rio Tinto International Pension Fund. This is a group defined benefit pension scheme. Pension costs are assessed in accordance with the advice of qualified independent actuaries.

The contributions to the Rio Tinto International Pension Fund are accounted for as if the scheme was a defined contribution scheme as the Company's contributions are set at a common level rather than reflecting the characteristics of the Company's workforce and the Company is unable to identify its share of the assets and liabilities of the scheme on a consistent and reasonable basis.

Contributions to the scheme are charged to the profit and loss account as they are incurred.

NOTES TO THE 2006 FINANCIAL STATEMENTS (continued)

1 ACCOUNTING POLICIES (continued)f) Taxation

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

g) 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) Operating costs comprise

	<u>2 August 2005</u> to <u>31 December 2006</u> \$000
Staff costs	
Wages and salaries	207
Social Security contributions	14
Staff Costs	<u>221</u>
Depreciation	5
Other Costs	<u>117</u>
	<u>343</u>

b) The average number of persons employed during the year, excluding directors, was 2. All employees work outside the United Kingdom

c) The auditors' remuneration of \$11,040 is borne by a fellow group undertaking

3 DIRECTORS' EMOLUMENTS

	2006 \$000
All directors	
Aggregate emoluments	174
Compensation for loss of office	-
Amounts (excluding shares and share options) receivable under long term incentive schemes	-
Aggregate amount of Company contributions to non-UK pension scheme	-

One director accrued benefits under defined benefit pension scheme arrangements in relation to services provided as a director of the Company

NOTES TO THE 2006 FINANCIAL STATEMENTS (continued)

4 TAXATION

	<u>2 August 2005</u> <u>to</u> <u>31 December 2006</u> \$000
Current tax:	
UK corporation tax on profit of the period	-
Total current tax	-
Deferred tax:	
Origination and reversal of timing differences	1
Total deferred tax	1
Tax on profit on ordinary activities	1

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

	<u>2006</u> \$000
Profit on ordinary activities before tax	7
Loss on ordinary activities multiplied by standard rate of tax in the UK 30%	2
Effects of	
Accelerated capital allowances and other timing differences	(1)
Group relief received for nil consideration	(1)
Current tax charge for the year	-

5 FIXED ASSETS

	<u>Motor</u> <u>Vehicles</u> \$000	<u>Office</u> <u>Equipment</u> \$000	<u>Total</u> \$000
Cost			
At 2 August 2005	-	-	-
Additions	57	5	62
At 31 December 2006	57	5	62
Depreciation			
At 2 August 2005	-	-	-
Charge	5	-	5
At 31 December 2006	5	-	5
Net book value 31 December 2006	52	5	57

NOTES TO THE 2006 FINANCIAL STATEMENTS (continued)

6 DEBTORS

	<u>2006</u> <u>\$000</u>
Prepayments and accrued income	350
	<u>350</u>

7 CREDITORS

	<u>2006</u> <u>\$000</u>
Amounts falling due within one year	
Amounts payable to parent undertaking	265
Accruals	172
	<u>437</u>
Amounts falling due after one year	
Deferred tax	<u>1</u>

8 DEFERRED TAX

	<u>2006</u> <u>\$000</u>
Accelerated capital allowances and other timing differences	1
Total deferred tax liability	<u>1</u>
At 2 August 2005	-
Deferred tax charge in the profit and loss account (note 4)	1
At 31 December 2006	<u>1</u>
At 31 December 2006 the company is recognising a deferred tax liability of \$1,000 in relation to accelerated capital allowances	

9 SHARE CAPITAL AND RESERVES

	<u>2006</u> <u>\$000</u>
Authorised	
1,000,000 ordinary shares of \$1 each	<u>1,000</u>
Allotted, issued, called up and fully paid	
1 ordinary shares of \$1 each	<u>-</u>

The only movements in shareholders' funds are those in retained earnings, which are shown on page 7

NOTES TO THE 2006 FINANCIAL STATEMENTS (continued)**10 CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES**

The financial statements do not include a cash flow statement because the Company is a wholly owned subsidiary and the conditions of 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 Rio Tinto Group or investees of the Rio Tinto Group.

11 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Rio Tinto Minerals Development 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 Rio Tinto plc consolidated financial statements can be obtained from its registered office at 6 St James's Square, London, SW1Y 4LD.