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Company number FC 023917 - England and Wales

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TINTO JERSEY LIMITED
(Incorporated in Jersey, Channel Islands)

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

TUESDAY



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TINTO JERSEY LIMITED

COMPANY INFORMATION

DIRECTORS	B J S Mathews U Quellmann
COMPANY SECRETARY	M J Whyte
REGISTERED OFFICE	La Motte Chambers St Helier Jersey Channel Islands JE1 1BJ
REGISTERED IN ENGLAND AND WALES	FC 023912
INCORPORATED IN JERSEY, CHANNEL ISLANDS	61346
BRANCH OFFICE	2 Eastbourne Terrace London W2 6LG
BRANCH REGISTRATION	BR 006579

TINTO JERSEY LIMITED

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TINTO JERSEY LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 \$000	2009 \$000
INVESTMENT INCOME	2	<u>11,379,500</u>	<u>1,242,000</u>
Total operating income	3	<u>11,379,500</u>	<u>1,242,000</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		11,379,500	1,242,000
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR	9	<u><u>11,379,500</u></u>	<u><u>1,242,000</u></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and loss account


The notes on pages 3 to 7 form part of these financial statements

TINTO JERSEY LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2010**

	Note	2010 \$000	2009 \$000
FIXED ASSETS			
Investments	5	37,309	37,309
CURRENT ASSETS			
Debtors	7	73	73
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>37,382</u>	<u>37,382</u>
CAPITAL AND RESERVES			
Called up share capital	8	41	41
Share premium account	9	36,546	36,546
Other reserves	9	725	725
Profit and loss account	9	70	70
SHAREHOLDERS' FUNDS	10	<u>37,382</u>	<u>37,382</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by


U. Quellmann
Director

Date 23 September 2011

The notes on pages 3 to 7 form part of these financial statements

Foreign company number FC 023912

TINTO JERSEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES

Tinto Jersey Limited (the "Company") was incorporated on 9 March 1995 under the laws of Jersey, Channel Islands and is a member of the Rio Tinto Group (the "Group"). It holds a 100% interest in Tinto Channel Islands Limited, a holding company of the Group.

1.1 Basis of preparation of financial statements

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the section 396 as modified by SI 2009/1801 and applicable UK accounting standards issued by Accounting Standards Board. The directors have reviewed the Company's existing accounting policies and consider that they are suitable. The principal accounting policies have been consistently applied, with the exemption of the change of descriptions in the line items in the Balance sheet and Profit and loss to comply with the Overseas companies financial statements requirements.

The Company is exempt from the requirement to prepare group accounts by virtue of section 405 section 3b of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

1.2 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Investment income

Income from investments is recognised when the right to receive payment is established.

1.4 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, except where they relate to share capital, are dealt with in the profit and loss account.

1.5 Interest income

Interest is accounted for on an accrual basis.

1.6 Reporting format

The Company acts as an investment holding company, and hence the dividends received from investee companies and any impairment provisions against investments are presented as operating items.

TINTO JERSEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1 ACCOUNTING POLICIES (continued)

1.7 Investments

Investments held as fixed assets are shown at cost less provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future cash flows of the relevant income generating unit or disposal value if higher. The discount rate applied is based upon the Company's weighted average cost of capital, with appropriate adjustment for the risks associated with the relevant unit.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indications exist, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal, the depreciation charge is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

1.8 Taxation

Payment/receipt for group relief claims/surrenders is accounted for except where the amount falls below the de-minimis threshold adopted. Withholding tax incurred on the receipt of interest or dividends is presented as part of the tax charge within the profit and loss account.

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is recognised in respect of the retained earnings of an overseas subsidiary, associate or joint venture only to the extent that there is a commitment to remit the earnings.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.10 Dividends

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

TINTO JERSEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1 ACCOUNTING POLICIES (continued)

1.11 Reporting currency

The principal currency affecting the Group's international operations is the US dollar, and all financing provided to/by the Company is denominated in the US dollar. Accordingly, the directors regard the US dollar as the principal currency affecting the Company's own cashflows. As a result, the financial statements are presented in US dollars. The year end exchange rate was £1, US\$1.55 (2009 - £1, US\$1.61).

2. INVESTMENT INCOME

All income arose outside the UK (2009 - Arose outside the UK)

3 OPERATING PROFIT

The Company has no employees. The directors did not receive any remuneration (2009 - \$nil)

4 TAXATION

	2010 \$000	2009 \$000
UK corporation tax charge on profit for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2009 - lower than) the standard rate of corporation tax in the UK of 28% (2009 - 28%). The differences are explained below

	2010 \$000	2009 \$000
Profit on ordinary activities before tax	11,379,500	1,242,000
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	3,186,260	347,760
Effects of		
Income not chargeable to UK tax	(3,186,260)	(347,760)
Current tax charge for the year	-	-

Factors that may affect future tax charges

Legislation was enacted in March 2011 and July 2011 to reduce the UK statutory corporation tax rate to 26% from 1 April 2011 and to 25% from 1 April 2012 respectively.

The March 2011 Budget Statement announced further reductions to the UK statutory corporation tax rate: 24% effective 1 April 2013 and 23% effective 1 April 2014. These changes will have no impact on the financial statements prepared to 31 December 2010.

TINTO JERSEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

5 FIXED ASSET INVESTMENTS

	Investments in subsidiary companies \$000
Cost or valuation	
At 1 January 2010 and 31 December 2010	37,309
Net book value	
At 31 December 2010	37,309
At 31 December 2009	37,309

The principal subsidiaries are shown in Note 6

6. PRINCIPAL SUBSIDIARIES

Company name	Country of incorporation	Percentage Shareholding	Description
Tinto Channel Islands Limited	Australia	100	Investment Holding- Ordinary shares A\$2

During the year the Company reduced its beneficial interest in Rio Tinto Limited held by its wholly owned subsidiary to nil (2000 - 28.2%) after Rio Tinto completed an off market buy back of ordinary shares of that holding

7 DEBTORS

	2010 \$000	2009 \$000
Amounts owed by Group undertakings	73	73

The above receivable is interest bearing and is receivable on demand

8 SHARE CAPITAL

	2010 \$000	2009 \$000
Allotted, called up and fully paid		
40,902 Ordinary shares of \$1 each	41	41

TINTO JERSEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

9. RESERVES

	Share premium account \$000	Other reserves \$000	Profit and loss account \$000
At 1 January 2010	36,546	725	70
Profit for the year			11,379,500
Dividends			(11,379,500)
At 31 December 2010	<u>36,546</u>	<u>725</u>	<u>70</u>

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

10 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010 \$000	2009 \$000
Opening shareholders' funds	37,382	37,382
Profit for the year	11,379,500	1,242,000
Dividends (Note 11)	(11,379,500)	(1,242,000)
Closing shareholders' funds	<u>37,382</u>	<u>37,382</u>

11 DIVIDENDS

	2010 \$000	2009 \$000
Ordinary		
Ordinary dividends declared and paid during the year	11,379,500	1,242,000
	<u>11,379,500</u>	<u>1,242,000</u>

12 RELATED PARTY TRANSACTIONS

The Company is exempt under FRS 8 from disclosing related party transactions between two or more members of a group, as subsidiaries which are party to the transactions are wholly-owned by the group.

13 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Rio Tinto Australian 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 Rio Tinto plc consolidated financial statements can be obtained from 2 Eastbourne Terrace, London, W2 6LG, or from the Rio Tinto website at www.riotinto.com.