

ALCAN INTERNATIONAL NETWORK LIMITED

(Registered Number: 694901)

Pechiney House, The Grove, Slough, Berkshire SL1 1QF

Annual report and financial statements

For the year ended 31 December 2010



Alcan International Network Limited

Directors report for the year ended 31 December 2010

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2010

Principal activity

The principal activity of the Company during the year was that of selling speciality chemicals, and other materials. The functional currency of the Company is US dollars because this is the currency of the primary economic environment in which the Company operates and in which it generates cash flows.

Review of business and future developments

The Company's activity continued to build on its existing business activities and relationships. Despite the harsh economic environment the Company was able to manage positions to achieve good results. However, increased administration costs due to investment in business development led to an overall loss in the year. The turnover, which is the Company's main key performance indicator, increased from \$24.7 million in 2009 to \$27.1 million (10%) and the related gross profit increased from \$2.8 million in 2009 to \$3.1 million in 2010 (11%). This was in line with the management's expectations.

Looking forward to 2011 the Company's turnover and gross profitability is forecast to increase by a similar percentage as in 2010 as the Company is seeking to explore all opportunities to expand its worldwide sales operations.

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of changes in exchange rates and credit risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company. The Company's policy on mitigating the effect of this currency exposure is to minimise the amount outstanding at any time. Furthermore, the Company aims to minimise the financial risks associated with the fluctuation of the foreign exchange rates by hedging the future expected cash flows denominated in foreign currencies using the derivative instruments (forwards).

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage credit and exchange rate risk.

The Company is exposed to commodity price risk as a result of its operations. However, given the size of the Company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the Company's operations change in size or nature. The Company has no exposure to equity securities price risk as it holds no listed or other equity investments.

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The vast majority of debt is subject to 90% insurance cover.

Alcan International Network Limited

Directors report for the year ended 31 December 2010 (continued)

Results and dividends

The Company's loss for the financial year was \$830,000 (2009 loss \$710,000) No dividend was proposed in the year (2009 Nil)

Directors and their interests

The directors who served during the year and up to the date of signing the accounts were as follows

U Schoumakers	(appointed 24 June 2011)
A J Neuling	
H M Perrin	(appointed 24 June 2011)
H Lours	(resigned 24 June 2011)
J Spring	(resigned 31 March 2011)

Directors' indemnities

The company maintains liability insurance for its directors and officers. The company has also provided an indemnity for its directors and the company secretary, which is a qualifying third party indemnity provision and was in force during the financial year and also at the date of approval of the financial statements for the purposes of the Companies Act 2006

Events after the balance sheet date

On 4 January 2011 Apollo Global management LLC, a company registered in the United States of America, acquired 51% of Engineered Products International S A S (formerly Pechiney World Trade S A S) from Rio Tinto plc. Consequently, Apollo Global management LLC became the ultimate parent undertaking and controlling party of the Company

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 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. They 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 the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Alcan International Network Limited

Directors report for the year ended 31 December 2010 (continued)

Disclosure of information to auditors


Each of the persons who is a director at the date of approval of this report confirms that

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

(2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

By order of the Board


A J Neuhing
Director
27/09/2011

Alcan International Network Limited

Independent auditors' report to the members of Alcan International Network Limited

We have audited the financial statements of Alcan International Network Limited for the year ended 31 December 2010 which comprise the Profit and loss account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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



Pauline Campbell (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Uxbridge, Middlesex 27 September 2011

Alcan International Network Limited

Profit and loss account for the year ended 31 December 2010

	Note	2010 \$'000	2009 \$'000
Turnover	2	27,160	24,771
Cost of sales		(24,045)	(21,963)
Gross profit		3,115	2,808
Administrative expenses		(3,875)	(3,497)
Operating loss	3	(760)	(689)
Interest payable and similar charges	5	(76)	(167)
Loss on ordinary activities before taxation		(836)	(856)
Tax on loss on ordinary activities	6	6	146
Loss for the financial year	12,13	(830)	(710)

All the above results are derived from continuing operations

There is no material difference between the loss (2009 loss) on ordinary activities before taxation and the loss (2009 loss) for the year stated above and their historical cost equivalents

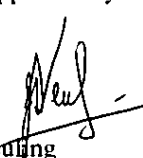
The Company has no recognised gains or losses other than the results for the year as set out above, and therefore no separate statement of total recognised gains and losses has been presented

Alcan International Network Limited

Balance Sheet as at 31 December 2010

	Note	2010 \$'000	2009 \$'000
Fixed assets			
Tangible assets	7	85	171
		85	171
Current assets			
Stock	8	5,205	4,413
Debtors	9	3,574	5,895
		8,779	10,308
Creditors amounts falling due within one year	10	(6,795)	(7,580)
Net current assets		1,984	2,728
Net assets		2,069	2,899
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account	12	2,067	2,897
Total shareholders' funds	13	2,069	2,899

The financial statements of Alcan International Network Limited (Registered number 694901) on pages 5 to 15 were approved by the board of directors on 2011 and were signed on its behalf by


A J Neuling
Director

27/07/11

The notes on pages 7 to 15 form part of these financial statements

Alcan International Network Limited

Notes to the financial statements For the year ended 31 December 2010

1 Accounting policies

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

The principal accounting policies, which have been applied consistently throughout the year, are set out below

Under Financial Reporting Standard 1 (revised) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

The Company has taken advantage of the exemption under paragraph 3(c) from the provisions of Financial Reporting Standard 8, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Rio Tinto plc whose accounts are publicly available

(a) Turnover

Turnover represents the value of goods supplied to customers during the year, excluding Value Added Tax. Revenue is recognised at the time when the principle risk and rewards associated with supplied goods are passed to the customer

(b) Tangible fixed assets and depreciation

Tangible fixed assets are stated in the balance sheet at their historic purchase cost, less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bring the asset to its working condition for its intended use. Depreciation is provided on tangible fixed assets at rates calculated to write off the cost of each asset less its estimated residual value, in equal annual instalments over its expected useful economic life, as follows

Plant, machinery and computer equipment	3 to 10 years on straight line basis
---	--------------------------------------

(c) Foreign currencies

The financial statements have been presented in US dollars as the directors are of the opinion that this is the functional currency of the Company because this is the currency of the primary economic environment in which the Company operates and in which it generates cash flows

Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at the rate of exchange ruling at the date of the balance sheet. Transactions denominated in foreign currencies are translated into US dollars on the day of transaction using the spot rate pertaining to that day. All exchange differences arising from translation of assets and liabilities and transactions are recognised in the profit and loss account

The sterling exchange rate at 31 December 2010 was 1.5477 (2009: 1.6071)

Alcan International Network Limited

Notes to the financial statements

For the year ended 31 December 2010 (continued)

1 Accounting policies (continued)

(d) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis

(e) Stocks

Stocks are valued at the lower of cost and net realisable value, on a FIFO basis. Provision is made where necessary for obsolete, slow moving and defective stocks

(f) Recharges from parent company

Alcan International Network UK Limited provides the Company with staff, in order for it to carry out its business. The cost of these staff and related general administrative expenses incurred are recharged to the Company on a monthly basis by Alcan International Network UK Limited. The Company does not employ any staff directly

The Company is also charged a service fee by Alcan International Network UK Limited. This fee is in addition to the staff costs and relates to general and administrative expenses

(g) Dividends

Dividends paid are recognised in the financial statements as a liability when they are declared and approved by members, in line with the provisions of FRS21 'Events after the balance sheet date'

Alcan International Network Limited

Notes to the financial statements For the year ended 31 December 2010 (continued)

2 Turnover

In the opinion of the directors the principal activity of the Company is that of selling speciality chemicals, secondary aluminium and other materials

Geographical analysis of turnover by destination

	2010 \$'000	2009 \$'000
United Kingdom	500	268
United States of America	1,113	1,705
Europe	23,944	21,515
Asia	442	217
Rest of the world	1,161	1,066
	27,160	24,771

Geographical analysis of turnover by origin

	2010 \$'000	2009 \$'000
United Kingdom	27,160	24,771
	27,160	24,771

3 Operating loss

	2010 \$'000	2009 \$'000
Operating profit is stated after charging / (crediting)		
Auditors' remuneration		
- Audit services	66	48
Depreciation	86	111
Gain (2009 Loss) on foreign exchange	(252)	386
Operating lease rentals		
- Land and buildings	538	397
- Other	11	12

The operating leases are held in the name of Alcan International Network UK Limited and a portion of the lease cost is recharged to the Company. Consequently there are no lease commitments for Alcan International Network Limited.

Alcan International Network Limited

Notes to the financial statements

For the year ended 31 December 2010 (continued)

4 Staff costs and directors' emoluments

There were no staff employed by the Company directly (2009 nil). Staff working for the Company are employed by Alcan International Network UK Limited or Alcan Rhenalu SA and the related staff costs are recharged to the Company (excluding directors' remuneration) as follows

	2010 \$'000	2009 \$'000
Wages and salaries	1,087	1,299
Social security costs	101	43
Other pension costs	90	67
	1,278	1,409

The directors are paid by Alcan International Network UK Limited for their services to a number of group companies. The amount apportioned to the Company for the directors' services to the Company was \$0 in 2010 (2009 \$0).

The average monthly employees (including directors) employed on behalf of the Company, split by activity were	2010 number	2009 number
Sales and distribution	12	11
Administrative	1	1
Total	13	12

5 Interest payable and similar charges

	2010 \$'000	2009 \$'000
Interest payable to other group companies	65	151
Bank charges	11	13
Interest payable and similar charges	76	167

Alcan International Network Limited

Notes to the financial statements For the year ended 31 December 2010 (continued)

6 Tax on profit on ordinary activities

a) Analysis of charge in year

	2010 \$'000	2009 \$'000
Current tax		
Tax on loss for the financial year at 28% (2009 28%)	-	-
Adjustment in respect of prior periods	-	(135)
Total current tax (credit)	-	(135)
Deferred tax		
Origination and reversal of timing differences	(7)	(8)
Adjustment in respect of prior periods	1	(3)
Total deferred tax credit	(6)	(11)
Tax on loss on ordinary activities	(6)	(146)

Factors affecting tax charge for the year

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

	2010 \$'000	2009 \$'000
Loss on ordinary activities before taxation	(836)	(856)
(Loss) on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 28% (2009– 28%)	(234)	(240)
Effects of		
Accelerated Capital Allowances and other timing differences	8	16
Group relief surrendered for nil payment	226	224
Adjustment to previous year's tax charge	-	(135)
Current tax credit for the year (see note above)	-	(135)

Factors affecting future tax charges:

The Finance Act (No 2) 2010, enacted 27 July 2010, includes a reduction in the standard rate of UK Corporation tax from 28% to 27% from 1 April 2011. Further reductions are proposed to reduce the standard rate to 23% by 1 April 2014. The changes had not been substantively enacted by the balance sheet date and are, therefore, not included in these financial statements. On 23 March 2011 it was announced that from 1 April 2011 the corporation tax rate would reduce to 26% from 27%. This change will not have a significant impact on the company's financial statements.

Alcan International Network Limited

Notes to the financial statements For the year ended 31 December 2010 (continued)

6 Tax on profit on ordinary activities (continued)

The deferred tax (asset) recognised within these accounts is as follows

	2010 \$'000	2009 \$'000
Accelerated capital allowances	(38)	(31)
Other timing differences	(7)	(8)
Total deferred tax (asset)	(45)	(39)

Movement in Deferred Tax:

	2010 \$'000
Balance at 1 January	(39)
Recognised in profit & loss account during the year	(6)
Balance at 31 December	(45)

The directors considered in 2010 that it was more likely than not that there would be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset was recognised in the financial statements

7 Tangible Assets

	Plant, machinery and computer equipment \$'000
Cost	
At 1 January 2010	559
At 31 December 2010	559
Accumulated depreciation	
At 1 January 2010	(388)
Charge for year	(86)
At 31 December 2010	(474)
Net book amount	
At 31 December 2010	85
At 31 December 2009	171

Alcan International Network Limited

Notes to the financial statements

For the year ended 31 December 2010 (continued)

8 Stocks

	2010 \$'000	2009 \$'000
Finished goods for resale	5,205	4,413

9 Debtors:

	2010 \$'000	2009 \$'000
Trade debtors	3,045	4,517
Amounts owed by group undertakings	354	1,144
Deferred tax asset (note 6)	45	39
Other debtors	130	195
	3,574	5,895

Amounts owed by group undertakings are unsecured and payable on demand. The Company participates in a group cash pool scheme. On amounts owed by the group cash pool of \$26,000 (2009 \$467,000) interest is receivable at LIBOR plus 35 basis points. All other amounts owed by group undertakings are interest-free. Also refer note 5.

10 Creditors: amounts falling due within one year

	2010 \$'000	2009 \$'000
Trade creditors	3,390	3,243
Amounts owed to group undertakings	3,178	3,634
Corporation tax	-	213
Accruals	227	490
	6,795	7,580

Amounts owed to group undertakings are unsecured and repayable on demand. The Company participates in a group cash pool. On amounts owed to the group cash pool of \$2,855,000 (2009 \$1,490,000) interest is payable at LIBOR plus 35 basis points. All other amounts owed to group undertakings are interest-free. Also refer note 5.

Alcan International Network Limited

Notes to the financial statements

For the year ended 31 December 2010 (continued)

11 Called up share capital

	2010 £'000	2009 £'000
Authorised, allotted and fully paid 1,000 Ordinary shares of £1 each	1	1
	\$'000	\$'000
Allotted and fully paid share capital	2	2

Share capital was translated from Sterling to US Dollars using the spot rate at 1 January 2005 of US\$1 78623 £1, when the Company's reporting currency was changed from Sterling to US Dollars

12 Profit and loss account

	2010 \$'000
At 1 January	2,897
Loss for the financial year	(830)
Balance at 31 December	2,067

13 Reconciliation of movements in equity shareholders' funds

	2010 \$'000	2009 \$'000
Loss for the financial year	(830)	(710)
Opening shareholders' funds	2,899	3,609
Closing shareholders' funds	2,069	2,899

14 Ultimate parent undertaking and controlling party

The immediate parent undertaking of the Company is Alcan International Network UK Limited

Rio Tinto plc, a company registered in England and Wales, was the ultimate parent undertaking and controlling party of the Company at 31 December 2010

Rio Tinto Group is the smallest and largest group to consolidate these financial statements. Copies of the Rio Tinto Group consolidated financial statements are publicly available from Rio Tinto plc, 5 Aldermanburg Square, London, EC2V 7HR

Alcan International Network Limited

Notes to the financial statements

For the year ended 31 December 2010 (continued)

15 Events after the balance sheet date

On 4 January 2011 Apollo Global management LLC, a company registered in the United States of America, acquired 51% of Engineered Products International S A S (formerly Pechiney World Trade S A S) from Rio Tinto plc. Consequently, Apollo Global management LLC became the ultimate parent undertaking and controlling party of the Company.