

**RIO TINTO FINANCE (USA) PLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**RIO TINTO FINANCE (USA) PLC**

**COMPANY INFORMATION**

**DIRECTORS**

Mr U Quellmann  
Ms E B Evans,  
Mr M D Andrewes  
Mr P L Cunningham

**COMPANY SECRETARY**

H C Day

**REGISTERED NUMBER**

6287014

**REGISTERED OFFICE**

6 St James's Square  
London  
SW1Y 4AD

**INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH

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**RIO TINTO FINANCE (USA) PLC**

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**RIO TINTO FINANCE (USA) PLC**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**INTRODUCTION**

The directors present their Strategic Report of the Company for the year ended 31 December 2015.

Rio Tinto Finance (USA) plc was incorporated and registered in England and Wales under the Companies Act 2006 as a public limited company. The Company is a wholly owned subsidiary of the Rio Tinto Group ("Group") and plays a major role in raising external funding for the Group.

The Company's debt issuance is guaranteed by Rio Tinto plc and Rio Tinto Limited.

**BUSINESS REVIEW**

The Company's future developments are integrated with those of the Group which are discussed in its 2015 Annual Report which does not form part of this report. The Group's financial instrument and risk management policies are discussed within the 2015 Annual Report.

The Company did not raise external funding in 2015.

**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 2015 Annual Report which does 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 are necessary or appropriate for an understanding of the development, performance or position of the Company's activities.

This report was approved by the board on 16 June 2016 and signed on its behalf:

  
.....  
**H C Day**  
Secretary

# RIO TINTO FINANCE (USA) PLC

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

### PRINCIPAL ACTIVITY

Rio Tinto Finance (USA) plc ("the Company") is a wholly owned subsidiary of the Rio Tinto Group of companies ("the Group") and plays a major role in raising external funding for the Group.

### RESULTS AND DIVIDENDS

The result for the financial year amounted to US\$Nil (2014 - US\$Nil).

No interim dividends were paid during the year (2014: US\$Nil). The directors do not recommend the payment of a final dividend (2014: US\$Nil).

### DIRECTORS

The directors who served during the year and to the date of this report were:

Mr U Quellmann  
Ms E B Evans  
Mr M D Andrewes  
Mr P L Cunningham

### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Directors' 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 the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under Company law the directors must not approve the financial statements unless 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 judgments 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;
- notify the company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- 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.

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**RIO TINTO FINANCE (USA) PLC**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**CORPORATE GOVERNANCE STATEMENT**

The Company is a wholly-owned subsidiary of the Rio Tinto Group of companies and, therefore, there is no further disclosure required under paragraph 13(2)(c) and (d) of Schedule 7 to the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 ("Schedule 7") nor are there any restrictions on the voting rights of the shares held ("Schedule 7", 13(2)(f)).

Subject to the provisions of the Companies Acts 1985 and 2006 and the Articles of Association, the directors may issue, offer, allot or grant rights to subscribe for, or convert any security into, shares in the Company and the Company may also purchase, or may enter into a contract under which it will or may purchase, its own shares.

The directors of Rio Tinto plc and Rio Tinto Limited are responsible for the Group's system of internal controls and for reviewing annually the effectiveness of the internal control system. This includes reviewing financial, operational and compliance controls and risk management procedures and their effectiveness. The directors have completed their annual review and assessment for 2015.

**INTERNAL CONTROLS SYSTEMS**

The Group Audit & Assurance function performs reviews of the integrity and effectiveness of control activities and provides regular reports to the Audit Committee, Sustainability Committee and other management committees.

Each year, the leaders of the Group's businesses and functions complete a representation letter confirming that adequate internal controls are in place, are operating effectively and are designed to capture and evaluate failings and weaknesses, if any exist, and that action is taken promptly, as appropriate.

In 2015, information was reported by management to the Audit Committee to enable it to assess the effectiveness of the Company's risk management and internal control systems. In addition, as part of their role, the Group board and its committees routinely monitor the Group's material business risks.

Due to the limitations inherent in any risk management system, the process for identifying, evaluating and managing the material business risks is designed to manage, rather than eliminate, risk and to provide reasonable, but not absolute, assurance against material misstatement or loss.

The financial statements are subject to internal review for consistency and arithmetical accuracy and are also subject to external audit.

The above disclosure is made in accordance with Disclosure and Transparency Rules 7.2.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Company's principal risks and uncertainties including the exposure to price risk, credit risk, liquidity risk and cash flow risk, are integrated with those of the Group and are not managed separately. The Group's principal risks and uncertainties are discussed in the financial instrument and risk management policies of the Group's 2015 Annual Report which does not form part of this report.

## RIO TINTO FINANCE (USA) PLC

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

#### POST BALANCE SHEET EVENTS

On 21 April 2016, the Company launched cash tender offers targeting its 2017 and 2018 bonds in issue. The Company had settled early by 6 May 2016, US\$339 million of its US\$500 million 2.0% bond due 2017, US\$1,020 million of its US\$1,250 million 1.625% bond due 2017 and US\$60 million of its US\$1,250 million 2.250% bond due 2018, total aggregate nominal value of US\$1,419 million.

On 7 June 2016, the Company launched another cash tender offer for its 2018 and 2022 bonds in issue. The Company had settled early by 16 June 2016 a further nominal value of US\$805 million of its 2.250% bond due 2018. The remaining nominal amount outstanding on this 2018 bond is now \$385 million.

The results of the tender on the US\$1,000 million 3.5% bond due 2022 and US\$1,000 million 2.875% bond due 2022 will be known by 5 July 2016 when the offer expires.

There have been no other significant events affecting the Company since the year end.

#### FUTURE DEVELOPMENTS

The Company's future developments are integrated with those of the Group which are discussed in its 2015 Annual Report.

#### INDEMNITY AND INSURANCE

The Articles of Association of the Company's ultimate parent, Rio Tinto plc, provides for it to indemnify, to the extent permitted by law, its officers and officers of wholly owned subsidiaries against liabilities arising from the conduct of Rio Tinto Group's business. The directors have been indemnified in accordance with these provisions.

Ms Evans was indemnified by Rio Tinto plc in September 2013 by virtue of her office as Secretary to that company. The other current directors of the Company were indemnified by Rio Tinto plc in June 2014. No amount has been paid under any of these indemnities during the year.

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.

#### DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

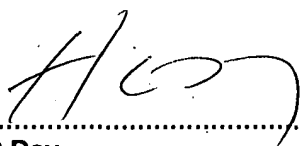
**RIO TINTO FINANCE (USA) PLC**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**INDEPENDENT AUDITORS**

The independent auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



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**H C Day**  
Secretary

Date: 16 June 2016

6 St James's Square  
London  
SW1Y 4AD



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**RIO TINTO FINANCE (USA) PLC**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RIO TINTO FINANCE (USA) PLC**

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## **Report on the financial statements**

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### **Our opinion**

In our opinion, Rio Tinto Finance (USA) plc's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its results 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.
- 

### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2015;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101, "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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## **Opinion on other matter prescribed by the Companies Act 2006**

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

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## **Other matters on which we are required to report by exception**

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### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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## RIO TINTO FINANCE (USA) PLC

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RIO TINTO FINANCE (USA) PLC

#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the directors**

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) ("ISAs (UK & 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.

##### **What an audit of financial statements involves**

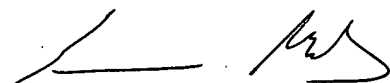
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Simon Morley (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

16 June 2016

**RIO TINTO FINANCE (USA) PLC**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015**


|   | Note | 2015<br>\$000 | 2014<br>\$000 |
|---|------|---------------|---------------|
| <b>Operating income</b>   |      |               |               |
| Interest receivable and similar income                                    | 2    | 207,509       | 213,999       |
| <b>Operating charges</b>  |      |               |               |
| Interest payable and similar charges                                      | 3    | (207,509)     | (213,999)     |
|   |      | <hr/>         | <hr/>         |
| <b>Operating result and result on ordinary activities before taxation</b> |      | -             | -             |
| Tax on result on ordinary activities                                      |      | -             | -             |
|   |      | <hr/>         | <hr/>         |
| <b>Result and total comprehensive income for the financial year</b>       |      | -             | -             |
|   |      | <hr/> <hr/>   | <hr/> <hr/>   |

The notes on pages 12 to 16 form part of these financial statements.

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2015**

|   | Note | 2015<br>\$000    | 2014<br>\$000    |
|---|------|------------------|------------------|
| <b>Current assets</b>                                   |      |                  |                  |
| Debtors: amounts falling due after more than one year   | 5    | 6,186,261        | 7,676,716        |
| Debtors: amounts falling due within one year            | 5    | 1,549,331        | 801,516          |
|   |      | 7,735,592        | 8,478,232        |
| Creditors: amounts falling due within one year          | 6    | (1,549,252)      | (801,437)        |
| <b>Net current assets</b>                               |      | <b>6,186,340</b> | <b>7,676,795</b> |
| <b>Total assets less current liabilities</b>            |      | <b>6,186,340</b> | <b>7,676,795</b> |
| Creditors: amounts falling due after more than one year | 7    | (6,186,261)      | (7,676,716)      |
| <b>Net assets</b>                                       |      | <b>79</b>        | <b>79</b>        |
| <b>Capital and reserves</b>                             |      |                  |                  |
| Called up share capital                                 | 8    | 99               | 99               |
| Other reserves  | 9    | (20)             | (20)             |
| <b>Total shareholders' funds</b>                        |      | <b>79</b>        | <b>79</b>        |

The financial statements on pages 12 to 16 were approved and authorised for issue by the Board of Directors and were signed on its behalf on 16 June 2016.

  
 .....  
**Mr U Quellmann**  
 Director

RIO TINTO FINANCE (USA) PLC  
REGISTERED NUMBER:6287014

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015

|                     | Called up<br>share<br>capital<br>\$000 | Other<br>reserves<br>\$000 | Total<br>shareholders'<br>funds<br>\$000 |
|---------------------|--|----------------------------|--|
| At 1 January 2015   | 99                                     | (20)                       | 79                                       |
| At 31 December 2015 | 99                                     | (20)                       | 79                                       |

**RIO TINTO FINANCE (USA) PLC**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2014**

|                     | <b>Called up<br/>share<br/>capital</b> | <b>Other<br/>reserves</b> | <b>Total<br/>shareholders'<br/>funds</b> |
|---------------------|--|---------------------------|--|
|                     | <b>\$000</b>                           | <b>\$000</b>              | <b>\$000</b>                             |
| At 1 January 2014   | 99                                     | (20)                      | 79                                       |
| At 31 December 2014 | <u>99</u>                              | <u>(20)</u>               | <u>79</u>                                |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with applicable law and accounting standards in the United Kingdom.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

The Company meets the definition of a qualifying entity and has accordingly adopted FRS 101 'Reduced Disclosure Framework'. Therefore the recognition and measurement requirements of EU-adopted IFRS have been applied with amendments where necessary in order to comply with Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) as these are Companies Act 2006 accounts.

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions available under the standard in relation to:

- (a) The requirements in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of: paragraph 79(a)(iv) of IAS 1
- (b) The requirements of paragraphs 10(d) and 111 of IAS 1 Presentation of Financial Statements
- (c) The requirements of IAS 7 Statement of Cash Flows
- (d) The requirements of paragraph 17 of IAS 24 Related Party Disclosures
- (e) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

Where required, equivalent disclosures are given in the consolidated financial statements of Rio Tinto plc which are available to the public and can be obtained from the Rio Tinto website.

There were no measurement or recognition adjustments for the Company on the adoption of FRS 101.

The Company's financial statements are presented in US dollars and all values are rounded to the nearest thousand (\$'000) except when otherwise indicated. The principal currency affecting the Company's operations is the US dollar, and the majority of the financing provided to and by the Company is denominated in US dollar. Accordingly, the directors regard the US dollar as the principal currency affecting the Company's own cash flows. As a result, the financial statements are presented in US dollar which is both the presentation and the functional currency of the Company. The year-end exchange rate was US\$1.48:£1 (31 December 2014 – US\$1.56: £1).

**1.2 Interest receivable and payable**

Interest receivable and payable is recognised on an accruals basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**1. ACCOUNTING POLICIES (continued)**

**1.3 Financial instruments**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments' transactions are explained below:

**Loans and receivables**

Loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are measured at fair value on initial recognition and are subsequently measured at amortised cost using the effective interest method unless there is objective evidence that the asset is impaired, where it is written down to its recoverable amount and the irrecoverable amount is recognised as an expense.

**Borrowings**

Borrowings, which comprise of listed bonds, are recognised initially at fair value, net of transaction costs incurred, and are subsequently stated at amortised cost. Any difference between the amounts originally received for borrowings and other financial liabilities and the redemption value is recognised in the income statement over the period to maturity using the effective interest method.

**1.4 Financial risk management**

The Company's principal financial risks and uncertainties including the exposure to price, credit risk, liquidity risk and cash flow risks, are intergrated with those of the Group and are not managed separately. The Group's principal risks and uncertainties are discussed in the financial instrument and risk management policies of the Group's 2015 Annual Report which does not form part of this report.

**1.5 Capital risk management**

The Company's objectives, policies and processes for managing capital are integrated with those of the Group and are not managed separately. The Group's capital management policy is discussed in the financial instrument and risk management policies of the Group's 2015 Annual Report which does not form part of this report.

**2. INTEREST RECEIVABLE AND SIMILAR INCOME**

|  | 2015           | 2014           |
|--|----------------|----------------|
|  | \$000          | \$000          |
| Interest receivable from fellow group undertakings | <u>207,509</u> | <u>213,999</u> |



**RIO TINTO FINANCE (USA) PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**3. INTEREST PAYABLE AND SIMILAR CHARGES**

|   | <b>2015</b>    | <i>2014</i>    |
|---|----------------|----------------|
|   | <b>\$000</b>   | <i>\$000</i>   |
| Interest payable on external borrowings | <b>207,509</b> | <i>213,999</i> |

**4. RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION**

- (a) The audit fees for the Company are borne by Rio Tinto Finance plc. The total audit fees incurred by the Company were US\$35,421 (2014: US\$31,262).
- (b) No emoluments were paid or payable to directors during the year in respect of their services to the Company (2014: US\$Nil).
- (c) The average number of persons employed during the year, excluding directors, was Nil (2014: Nil).
- (d) Employees who are involved in the management and operation of the Company have contracts of service with other Group entities and therefore their remuneration is included within those entities' financial statements.

**5. DEBTORS**

|   | <b>2015</b>      | <i>2014</i>      |
|---|------------------|------------------|
|   | <b>\$000</b>     | <i>\$000</i>     |
| <b>Amounts falling due after more than one year</b> |                  |                  |
| Amounts owed by group undertakings                  | <b>6,186,261</b> | <i>7,676,716</i> |
| <br>  |                  |                  |
| <b>Amounts falling due within one year</b>          |                  |                  |
| Amounts owed by group undertakings                  | <b>1,549,331</b> | <i>801,516</i>   |

The Company did not invest in new bonds in 2015. The Company has invested in nine bonds with Rio Tinto Finance plc, a group company, consisting of a US\$1,000 million 1.375% bond due 2016, US\$500 million LIBOR plus 0.840% bond due 2016, US\$500 million 2.0% bond due 2017, US\$1,250 million 1.625% bond due 2017, US\$1,250 million 2.250% bond due 2018, US\$1,000 million 3.5% bond due 2022, US\$1,000 million 2.875% bond due 2022, US\$500 million 4.75% bond due 2042 and US\$750 million 4.125% bond due 2042 (2014: eleven bonds to include US\$500 million 1.125% bond due 2015 and US\$250 million LIBOR plus 0.55% bond due 2015).

These bonds have been classified as loans and receivables.

**RIO TINTO FINANCE (USA) PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**6. CREDITORS: Amounts falling due within one year**

|                  | 2015<br>\$000 | 2014<br>\$000 |
|------------------|---------------|---------------|
| Borrowings       | 1,499,309     | 749,903       |
| Interest payable | 49,943        | 51,534        |
|                  | 1,549,252     | 801,437       |

**7. CREDITORS: Amounts falling due after more than one year**

|            | 2015<br>\$000 | 2014<br>\$000 |
|------------|---------------|---------------|
| Borrowings | 6,186,261     | 7,676,716     |

**Borrowings**

The Company did not issue new bonds in 2015. The Company has issued nine bonds consisting of a US\$1,000 million 1.375% bond due 2016, US\$500 million LIBOR plus 0.840% bond due 2016, US\$500 million 2.0% bond due 2017, US\$1,250 million 1.625% bond due 2017, US\$1,250 million 2.250% bond due 2018, US\$1,000 million 3.5% bond due 2022, US\$1,000 million 2.875% bond due 2022, US\$500 million 4.75% bond due 2042 and US\$750 million 4.125% bond due 2042 (2014: eleven bonds to include US\$500 million 1.125% bond due 2015 and US\$250 million LIBOR plus 0.55% bond due 2015).

These bonds are classified as financial liabilities and are guaranteed by Rio Tinto plc and Rio Tinto Limited.

Borrowings with a carrying value of US\$7,686 million (2014: US\$8,427 million) relate to listed bonds with a fair value of US\$7,301 million (2014: US\$8,561 million) and are categorised as level 1 in the fair value hierarchy.

The Company has invested in internal bonds with Rio Tinto Finance plc under similar terms as the bonds issued with external counterparties and, therefore, the Company is not exposed to interest rate risk.

**8. CALLED UP SHARE CAPITAL**

|  | 2015<br>\$000 | 2014<br>\$000 |
|--|---------------|---------------|
| <b>Allotted, called up and partly paid</b>       |               |               |
| 50,000 (2014: 50,000) Ordinary Shares of £1 each | 99            | 99            |
|  | 99            | 99            |

**RIO TINTO FINANCE (USA) PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**9. RESERVES**

**Other reserves**

In 2012, 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 has been included in other reserves.

**10. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the disclosure requirement under FRS 101 from disclosing related party transactions between two or more members of a group, as all subsidiaries which are party to the transactions are wholly owned by the Group.

**11. POST BALANCE SHEET EVENTS**

On 21 April 2016, the Company launched cash tender offers targeting its 2017 and 2018 bonds in issue. The Company had settled early by 6 May 2016, US\$339 million of its US\$500 million 2.0% bond due 2017, US\$1,020 million of its US\$1,250 million 1.625% bond due 2017 and US\$60 million of its US\$1,250 million 2.250% bond due 2018, total aggregate nominal value of US\$1,419 million.

On 7 June 2016, the Company launched another cash tender offer for its 2018 and 2022 bonds in issue. The Company had settled early by 16 June 2016 a further nominal value of US\$805 million of its 2.250% bond due 2018. The remaining nominal amount outstanding on this 2018 bond is now \$385 million.

The results of the tender on the US\$1,000 million 3.5% bond due 2022 and US\$1,000 million 2.875% bond due 2022 will be known by 5 July 2016 when the offer expires.

These events have been deemed non-adjusting and therefore no adjustments have been made to the balance sheet after the year end.

**12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate parent undertaking is Rio Tinto International 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. Rio Tinto plc consolidated financial statements can be obtained from the Rio Tinto website at [www.riotinto.com](http://www.riotinto.com).