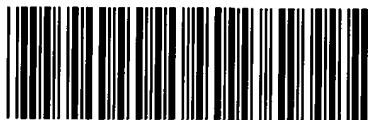


Registration number: 6287014

Rio Tinto Finance (USA) plc

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

SATURDAY



A65EIO0X

A14

29/04/2017

#221

COMPANIES HOUSE

RIO TINTO FINANCE (USA) PLC

COMPANY INFORMATION

DIRECTORS

Mr M D Andrewes
Mr P L Cunningham
Ms V E Hames

COMPANY SECRETARY

Ms H C Day

REGISTRATION NUMBER

6287014

REGISTERED OFFICE

6 St James's Square
London
United Kingdom
SW1Y 4AD

INDEPENDENT AUDITORS'

PricewaterhouseCoopers LLP
1 Embankment Place
London
United Kingdom
WC2N 6RH

RIO TINTO FINANCE (USA) PLC

CONTENTS

Strategic report	1
Directors' report	2 to 4
Independent auditors' report	5 to 6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 to 14

RIO TINTO FINANCE (USA) PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Introduction

The directors present their Strategic report on Rio Tinto Finance (USA) plc (the "Company") for the year ended 31 December 2016.

The Company was incorporated and registered in England and Wales under the Companies Act 2006 as a public limited company. The Company's ultimate parent undertaking and controlling party is Rio Tinto plc, which together with Rio Tinto Limited and their respective subsidiaries form the Rio Tinto Group (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 the Group's 2016 Annual Report which does not form part of this report. The Group's financial instrument and risk management policies are discussed within the 2016 Annual Report.

In 2016 the Company early redeemed as part of the Group liability management programme, external bonds issued in aggregate of US\$4,026 million. As a result the US\$500 million 2% 2017 bond, US\$1,250 million 1.625% 2017 bond, US\$1,250 million 2.25% 2018 bond, US\$486 million of the 2.875% 2022 bond and US\$540 million of the 3.50% 2022 bond were redeemed, resulting in an aggregate cash outflow of US\$4,129 million before fees.

The Company incurred a premium charge on the early redemption of the external bonds of US\$103 million.

The intra-group bonds invested with Rio Tinto Finance plc were also redeemed at the same time as the redemption of the external bonds with similar terms.

The Company did not raise external funding in 2016.

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 2016 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 would be necessary or appropriate for an understanding of the development, performance or position of the Company's activities.

The report was approved by the board on 26 April 2017 and signed on its behalf.



.....
Ms H C Day
Company secretary
Date: 26 April 2017

RIO TINTO FINANCE (USA) PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the audited financial statements for the year ended 31 December 2016.

Principal activity

The Company plays a major role in raising external funding for the Group.

Results and dividends

The result for the financial year, amounted to US\$Nil (2015: US\$Nil).

No interim dividend was paid during the year (2015: US\$Nil) and the directors do not recommend the payment of a final dividend (2015: US\$Nil).

Directors

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

Mr M D Andrewes

Mr P L Cunningham

Ms V E Hames (appointed 31 October 2016)

Ms E B Evans (resigned 19 August 2016)

Mr U Quellmann (resigned 22 August 2016)

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' ('FRS 101'). 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 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;
- 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 audited 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.

RIO TINTO FINANCE (USA) PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

Corporate Governance

The Company is a wholly-owned subsidiary of the Group, 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 2016.

Internal controls system

The Group Internal Audit function performs reviews of the integrity and effectiveness of control activities and provides regular reports to the Group's 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 2016, information was reported by management to the Group Audit Committee to enable the Group Audit Committee to assess the effectiveness of the Group's risk management and internal control systems. In addition, as part of their role, the 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.

Post balance sheet events

There have been no 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 the Group's 2016 Annual Report.

Indemnities 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 the Rio Tinto Group's business. The directors and the company secretary of Rio Tinto plc and certain employees serving as directors of certain subsidiaries, at the Group's request, have been indemnified in accordance with these provisions. All of the directors of the Company have been indemnified by Rio Tinto plc against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. This is a "qualifying third party indemnity" provision as defined by section 234 of the Companies Act 2006. No amounts have been paid under any of these indemnities during the year.

In accordance with section 233 of the Companies Act 2006 the Company has also purchased and maintains insurance against liabilities arising from claims against directors' and officers' actions taken in connection with the Group's business.

RIO TINTO FINANCE (USA) PLC

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)**

Disclosure of information to auditors

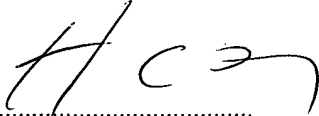
Each of the persons who were directors at the time when this Directors' report is approved has confirmed that:

- so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have 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.

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.



.....
Ms H C Day
Company secretary

Date: 26 April 2017
6 St James's Square
London
United Kingdom
SW1Y 4AD

RIO TINTO FINANCE (USA) PLC

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

Our opinion

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

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its result 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 2016;
- 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic report and the Directors' report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

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.

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.

RIO TINTO FINANCE (USA) PLC

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

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

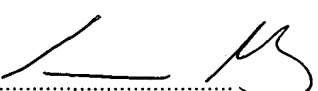
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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. With respect to the Strategic report and Directors' report, we consider whether those reports include the disclosures required by applicable legal requirements.


.....
Simon Morley (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 26/4/17.....

RIO TINTO FINANCE (USA) PLC

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 DECEMBER 2016**

	Note	2016 \$ 000	2015 \$ 000
Finance income	2	275,640	207,509
Finance expense	3	<u>(275,640)</u>	<u>(207,509)</u>
Result before income tax		-	-
Taxation		-	-
Result for the financial year		-	-
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>-</u>	<u>-</u>

The notes on pages 10 to 14 form an integral part of these financial statements.

RIO TINTO FINANCE (USA) PLC

**(REGISTRATION NUMBER: 6287014)
BALANCE SHEET AS AT 31 DECEMBER 2016**

	Note	2016 \$ 000	2015 \$ 000
ASSETS			
Current assets			
Receivables	5	27,545	1,549,331
		<u>27,545</u>	<u>1,549,331</u>
Non-current assets			
Receivables	5	2,182,900	6,186,261
Total assets		<u>2,210,445</u>	<u>7,735,592</u>
LIABILITIES			
Current liabilities			
Other financial liabilities	6	27,466	49,943
Borrowings	7	-	1,499,309
		<u>27,466</u>	<u>1,549,252</u>
Non-current liabilities			
Borrowings	7	2,182,900	6,186,261
Total liabilities		<u>2,210,366</u>	<u>7,735,513</u>
NET ASSETS		<u>79</u>	<u>79</u>
EQUITY			
Share capital	8	99	99
Other reserves		(20)	(20)
Total equity		<u>79</u>	<u>79</u>

These financial statements were approved and authorised by the Board on 26 April 2017 and were signed on its behalf by:



.....
Mr M D Andrewes
Director

RIO TINTO FINANCE (USA) PLC

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER
2016**

	Share capital \$ 000	Other reserves \$ 000	Total equity \$ 000
At 1 January 2016	99	(20)	79
At 31 December 2016	<u>99</u>	<u>(20)</u>	<u>79</u>

	Share capital \$ 000	Other reserves \$ 000	Total equity \$ 000
At 1 January 2015	99	(20)	79
At 31 December 2015	<u>99</u>	<u>(20)</u>	<u>79</u>

RIO TINTO FINANCE (USA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared on a going concern basis 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. 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 a result of the amendments to FRS 101 issued in July 2015 and effective for reporting periods beginning 1 January 2016, the financial statements are now presented in accordance with IAS 1 "Presentation of financial statements".

1.2 Financial reporting standard 101 - Reduced disclosure exemptions

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

- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d) and 111 of IAS 1 'Presentation of Financial Statements';
- the requirements of IAS 7 'Statement of Cash Flows';
- the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'; and
- 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 which can be obtained as set out in Note 12.

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 dollars, and the majority of the financing provided to and by the Company is denominated in US dollars. 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 dollars which is both the presentation and the functional currency of the Company. The year-end exchange rate was US\$1.22:£1 (31 December 2015 - US\$1.48:£1).

1.3 Finance income and expense

Finance income includes interest income. Finance expense includes interest expense. Interest income and expense are recognised on an accruals basis.

1.4 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:

RIO TINTO FINANCE (USA) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

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 Statement of comprehensive income over the period of the borrowings using the effective interest method.

1.5 Risk management

Financial risk management: The Company's principal financial risks and uncertainties including exposure to price, credit risk, liquidity risk and cash flow risks, 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 2016 Annual Report which does not form part of this report.

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 policies of the Group's 2016 Annual Report which does not form part of this report.

2 Finance income

	2016 \$ 000	2015 \$ 000
Interest receivable from fellow group undertakings	275,640	207,509
	<u>275,640</u>	<u>207,509</u>

3 Finance expenses

	2016 \$ 000	2015 \$ 000
Interest payable on external borrowings	275,640	207,509
	<u>275,640</u>	<u>207,509</u>

4 Result before taxation

- The audit fees for the Company are borne by Rio Tinto Finance plc. The fee for the audit of the financial statements was US\$29,233 (2015: US\$35,421).
- No emoluments were paid or payable to directors during the year in respect of their services to the Company (2015: \$nil).
- The average number of persons employed during the year, excluding directors, was nil (2015: nil).
- 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.

RIO TINTO FINANCE (USA) PLC

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2016 (CONTINUED)**

5 Receivables

	2016 \$ 000	2015 \$ 000
Current		
Amounts owed by Group undertakings	-	1,499,309
Interest owed by Group undertakings	27,545	50,022
	<u>27,545</u>	<u>1,549,331</u>
Non-current		
Amounts owed by Group undertakings	2,182,900	6,186,261
Total receivables	<u>2,210,445</u>	<u>7,735,592</u>

Amounts owed by Group undertakings consist of four intra-group bonds invested with Rio Tinto Finance plc, a Group company, consisting of US\$460 million 3.5% bond due in 2022, US\$514 million 2.875% bond due 2022, US\$500 million 4.75% bond due 2042 and US\$750 million 4.125% bond due 2042 (2015: nine bonds being 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).

The Company did not invest in new bonds in 2016.

These bonds have been classified as loans and receivables.

In 2016 Rio Tinto Finance plc early redeemed, as part of the Group liability management programme, intra-group bonds invested by the Company in aggregate of US\$4,026 million. As a result the US\$500 million 2% 2017 bond, US\$1,250 million 1.625% 2017 bond, US\$1,250 million 2.25% 2018 bond, US\$486 million of the 2.875% 2022 bond and US\$540 million of the 3.50% 2022 bond were redeemed, resulting in an aggregate cash inflow of US\$4,129 million before fees.

RIO TINTO FINANCE (USA) PLC

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2016 (CONTINUED)**

6 Other financial liabilities

	2016 \$ 000	2015 \$ 000
Current		
Interest payable	27,466	49,943
	<u>27,466</u>	<u>49,943</u>

7 Borrowings

	2016 \$ 000	2015 \$ 000
Current		
Borrowings	-	1,499,309
Non-current		
Borrowings	2,182,900	6,186,261
Total borrowings	<u>2,182,900</u>	<u>7,685,570</u>

The Company did not issue any new bonds in 2016. The Company has previously issued four bonds consisting of a US\$460 million 3.5% bond due in 2022, US\$514 million 2.875% bond due 2022, US\$500 million 4.75% bond due 2042 and US\$750 million 4.125% bond due 2042 (2015: nine bonds being 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).

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

In 2016 the Company early redeemed as part of the Group liability management programme, external bonds issued in aggregate of US\$4,026 million. As a result the US\$500 million 2% 2017 bond, US\$1,250 million 1.625% 2017 bond, US\$1,250 million 2.25% 2018 bond, US\$486 million of the 2.875% 2022 bond and US\$540 million of the 3.50% 2022 bond were redeemed, resulting in an aggregate cash outflow of US\$4,129 million before fees.

Borrowings with a carrying value of US\$2,183 million (2015: US\$7,686 million) relate to listed bonds with a fair value of US\$2,279 million (2015: US\$7,301 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.

There are no events or circumstances that have arisen that will significantly affect the Company since year end.

RIO TINTO FINANCE (USA) PLC

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2016 (CONTINUED)**

8 Share capital

Allotted, called up and partly paid shares

	2016 \$ 000	2015 \$ 000
50,000 (2015: 50,000) ordinary shares of £1 each	99	99
	<u>99</u>	<u>99</u>

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.

11 Related party transactions

The Company has taken advantage of the exemption contained within paragraph 8(k) of FRS 101 and has not disclosed transactions entered into with wholly-owned group entities.

12 Parent and ultimate parent undertaking

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.

13 Post balance sheet events

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