

Edgar Filing: RIO TINTO PLC - Form 11-K

RIO TINTO PLC
Form 11-K
April 25, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

Annual Report Pursuant to Section 15(d)
of the Securities Exchange Act of 1934

(Mark one)

ANNUAL report pursuant to Section 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2004

or

Transition report pursuant to Section 15(d) of the Securities Exchange Act

For the transition period from _____ to _____

Commission file number 001-10533

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

KENNECOTT CORPORATION SAVINGS PLAN FOR HOURLY EMPLOYEES

B. Name of issuer of the securities held pursuant to the Plan and the address of its principal executive office:

Rio Tinto plc, 6 St. James's Square, London, SW1Y 4LD, England

Page 1 of 20

KENNECOTT CORPORATION
SAVINGS PLAN FOR HOURLY EMPLOYEES

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

AS OF DECEMBER 31, 2004 AND 2003 AND FOR THE YEAR
ENDED DECEMBER 31, 2004

TOGETHER WITH REPORTS OF INDEPENDENT REGISTERED PUBLIC
ACCOUNTING FIRMS

Page 2 of 20

KENNECOTT CORPORATION
SAVINGS PLAN FOR HOURLY EMPLOYEES
TABLE OF CONTENTS

	PAGE

Report of Independent Registered Public Accounting Firm (Tanner LC)	4
Report of Independent Registered Public Accounting Firm (PricewaterhouseCoopers LLP)	5
Financial Statements:	
Statements of Assets Available for Benefits as of December 31, 2004 and 2003	6
Statement of Changes in Assets Available for Benefits for the year ended December 31, 2004	7
Notes to Financial Statements	8 - 14
Supplemental Schedule - Schedule H, Part IV, line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2004	15 - 16

All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable to the Kennecott Corporation Savings Plan for Hourly Employees.

Page 3 of 20

REPORT OF INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM

The Plan Administrator (Vice President Human Resources of
Kennecott Utah Copper Corporation)
Kennecott Corporation Savings Plan for Hourly Employees

We have audited the accompanying statement of assets available for benefits of the Kennecott Corporation Savings Plan for Hourly Employees (the Plan) as of December 31, 2004 and the related statement of changes in assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan

Edgar Filing: RIO TINTO PLC - Form 11-K

and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets available for benefits of the Kennecott Corporation Savings Plan for Hourly Employees as of December 31, 2004, and the changes in assets available for benefits for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit of the financial statements was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Assets (Held at End of Year) as of December 31, 2004 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Tanner LC

Salt Lake City, Utah
February 22, 2006

Page 4 of 20

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Participants and Administrator of
the Kennecott Corporation Savings Plan for Hourly Employees

In our opinion, the accompanying statement of assets available for benefits presents fairly, in all material respects, the assets available for benefits of the Kennecott Corporation Savings Plan for Hourly Employees (the "Plan") at December 31, 2003, in conformity with accounting principles generally accepted in the United States of America. This financial statement is the responsibility of the Plan's management. Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit of this statement in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Salt Lake City, Utah
September 23, 2005

KENNECOTT CORPORATION
SAVINGS PLAN FOR HOURLY EMPLOYEES
STATEMENTS OF ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31,

	2004	2003

ASSETS		

Investments (note 2)	\$ 44,832,506	\$ 44,184,371
Receivables:		
Employee contributions	83,242	85,056
Employer contributions	25,203	25,771

Total receivables	108,445	110,827

Assets available for benefits	\$ 44,940,951	\$ 44,295,198
	=====	

See accompanying notes to financial statements.

KENNECOTT CORPORATION
SAVINGS PLAN FOR HOURLY EMPLOYEES
STATEMENT OF CHANGES IN ASSETS AVAILABLE FOR BENEFITS

YEAR ENDED DECEMBER 31, 2004

ADDITIONS TO ASSETS ATTRIBUTED TO:		
Contributions:		
Employee	\$ 2,231,329	
Employer	627,191	

Total contributions		2,858,520

Edgar Filing: RIO TINTO PLC - Form 11-K

Investment income:	
Net appreciation in fair value of investments	2,516,167
Interest and dividends	1,035,586

Total investment income	3,551,753

Total additions	6,410,273

DEDUCTIONS FROM ASSETS ATTRIBUTED TO:	
Benefits paid to participants	5,764,414
Administrative expenses	106

Total deductions	5,764,520

Increase in assets available for benefits	645,753
ASSETS AVAILABLE FOR BENEFITS:	
Beginning of year	44,295,198

End of year	\$ 44,940,951
	=====

See accompanying notes to financial statements.

Page 7 of 20

KENNECOTT CORPORATION
SAVINGS PLAN FOR HOURLY EMPLOYEES
NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF
THE PLAN

The following brief description of the Kennecott Corporation Savings Plan for Hourly Employees (the Plan) is provided for general information purposes only. Participants should refer to the plan document and summary plan description for more complete information.

GENERAL

The Plan is a defined contribution plan covering all full-time hourly employees who are represented by or included in a collective bargaining unit of Kennecott Utah Copper Corporation and its affiliates (collectively, the Company), as defined in the Plan document. Eligible employees can participate in the

Edgar Filing: RIO TINTO PLC - Form 11-K

Plan immediately after completing three months of continuous service. Kennecott Utah Copper Corporation is an indirect wholly owned subsidiary of Rio Tinto America Inc., which is an indirect wholly owned subsidiary of Rio Tinto plc (the Parent). The Plan is intended to be a qualified retirement plan under the Internal Revenue Code (IRC) and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

CONTRIBUTIONS

Each year, participants may elect under a salary reduction agreement to contribute to the Plan an amount not less than 1% and not more than 19% of their eligible compensation on a before-tax basis through payroll deductions. Contributions are limited by the IRC, which established a maximum contribution of \$13,000 (\$16,000 for participants over age 50) for the year ended December 31, 2004. Participant contributions are recorded in the period during which the amounts are withheld from participant earnings. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans.

The Company matches the participant's contributions to the Plan at 50%, up to the first 6% of their eligible compensation. Matching contributions are recorded on the date the related participant contributions are withheld.

Page 8 of 20

KENNECOTT CORPORATION
SAVINGS PLAN FOR HOURLY EMPLOYEES
NOTES TO FINANCIAL STATEMENTS
CONTINUED

1. DESCRIPTION OF
THE PLAN
CONTINUED

PARTICIPANT ACCOUNTS

Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contributions, the Company's matching contribution, and an allocation of the Plan's earnings, and is charged with withdrawals and an allocation of the Plan's losses and administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

PARTICIPANT-DIRECTED OPTIONS FOR INVESTMENTS

Participants direct the investment of their contributions and the Company matching contributions

Edgar Filing: RIO TINTO PLC - Form 11-K

into various investment options offered by the Plan. Investment options include a money market fund, common collective trusts, mutual funds, synthetic guaranteed investment contracts and common stock of the Parent in the form of American Depository Receipts (ADRs).

VESTING

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service. A participant is 100% cliff vested after three years of credited service.

PAYMENT OF BENEFITS

On termination of service due to death, disability, or retirement, participants or their beneficiaries may elect to receive a lump-sum distribution in an amount equal to the value of the participants' vested interests in their accounts. Under certain circumstances, participants may withdraw their contributions prior to the occurrence of these events.

FORFEITED ACCOUNTS

Forfeited non-vested participant account balances may be used to reduce future Company contributions to the Plan. Forfeitures utilized for these purposes during the year ended December 31, 2004 totaled \$43,082. Forfeitures were \$14,970 for the year ended December 31, 2004. As of December 31, 2004 and 2003, the balance of the forfeiture account was \$13,828 and \$41,940, respectively.

Page 9 of 20

KENNECOTT CORPORATION
SAVINGS PLAN FOR HOURLY EMPLOYEES
NOTES TO FINANCIAL STATEMENTS
CONTINUED

2. SUMMARY OF
SIGNIFICANT
ACCOUNTING
POLICIES

BASIS OF PRESENTATION

The financial statements of the Plan have been prepared on the accrual basis of accounting.

USE OF ESTIMATES

The preparation of the Plan's financial statements in conformity with U.S. generally accepted accounting principles requires Plan management to make estimates and assumptions that affect the reported amounts of assets available for benefits at the date of the financial statements, the changes in assets available for benefit during the reporting period and, when

applicable, the disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

RISKS AND UNCERTAINTIES

The Plan provides for investments in securities that are exposed to various risks, such as interest rate, currency exchange rate, credit and overall market fluctuation. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of assets available for benefits.

INVESTMENT VALUATION AND INCOME RECOGNITION

The Plan's investments are stated at fair value (generally quoted market price) except for its benefit-responsive guaranteed investment contracts, which are valued at contract value (see Note 6). Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year end.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date.

The net appreciation (depreciation) in the fair value of investments which includes realized gains (losses) and unrealized appreciation (depreciation) on those investments is shown in the statement of changes in assets available for benefits of the Plan.

2. SUMMARY OF
SIGNIFICANT
ACCOUNTING
POLICIES
CONTINUED

PAYMENTS OF BENEFITS

Benefits payments are recorded when paid by the Plan.

ADMINISTRATIVE EXPENSES

The Company pays the majority of the costs and expenses incurred in administering the Plan.

The Plan has several fund managers that manage the investments held by the Plan. During 2004, the Company paid all investment management fees related to these fund managers.

Edgar Filing: RIO TINTO PLC - Form 11-K

The investment management fees related to transaction costs associated with the purchase or sale of Rio Tinto plc ADRs are paid by the participants.

PARTICIPANT LOANS

Loans are not permitted to be made to participants in the Plan.

3. PARTIES-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by Putnam Investments, the Plan trustee, therefore, these transactions are exempt party-in-interest transactions. Fees paid by the Plan for investment management services were included as a reduction of the return earned on each fund.

Transactions associated with Rio Tinto plc ADRs are considered exempt party-in-interest transactions because Rio Tinto plc is the parent of the Company. As of December 31, 2004 and 2003, the Plan held 30,627.477 and 33,554.390 shares, respectively, of common stock of Rio Tinto plc, with a cost basis of \$2,144,056 and \$2,215,912, respectively. During the year ended December 31, 2004, the Plan recorded dividend income of \$85,054.

Page 11 of 20

KENNECOTT CORPORATION
SAVINGS PLAN FOR HOURLY EMPLOYEES
NOTES TO FINANCIAL STATEMENTS
CONTINUED

4. INVESTMENTS

The Plan's investments that represented five percent or more of the Plan's assets available for benefits as of December 31, 2004 and 2003 are as follows:

	2004	2003
	-----	-----
SEI Stable Asset Fund	\$ 3,726,143	\$ 4,697,103
Putnam S&P 500 Index Fund	3,606,189	3,558,411
Putnam International Equity Fund	2,623,143	2,429,618
Putnam Fund for Growth and Income	5,379,788	5,228,096
Putnam New Opportunities Fund	4,661,883	5,022,937
Putnam Voyager Fund	2,568,125	2,664,377
Monumental Life Insurance Company GIC	2,819,519	2,686,978
State Street Bank Synthetic GIC	4,920,475	4,731,914
Rio Tinto plc ADRs	3,651,102	3,734,939

Edgar Filing: RIO TINTO PLC - Form 11-K

During the year ended December 31, 2004, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

Mutual funds	\$ 1,951,298
Common stock	214,599
Common collective trusts	350,270

Net appreciation in investments	\$ 2,516,167
	=====

Page 12 of 20

KENNECOTT CORPORATION
SAVINGS PLAN FOR HOURLY EMPLOYEES
NOTES TO FINANCIAL STATEMENTS
CONTINUED

5. PLAN
TERMINATION

The terms of the Plan may be amended, modified or discontinued after the effective date of the Savings Plan Agreement. Such amendment, modification or discontinuance may occur pursuant to negotiations for employees at Kennecott Utah Copper Corporation who are represented by the labor organizations that are jointly referred to as the Union, or as required by law, or to gain Internal Revenue Service approval. No change, however, shall make it possible for any part of the funds of the Plan to be used for or diverted for purposes other than for the exclusive benefit of participants and/or their beneficiaries. In addition, no change shall adversely affect the rights of any participant with respect to contributions made prior to the date of the change.

If the Plan is terminated in accordance with the terms described in the preceding paragraph, each participant's account shall become fully vested and nonforfeitable and distribution of Plan assets shall be made as directed by the Plan Administrator.

6. GUARANTEED
INVESTMENT
CONTRACTS

The Plan's guaranteed investment contracts are in a stable value fund. The guaranteed investment contracts are fully benefit responsive and are stated at contract value (which represents contributions made under the contract, plus interest earned, less withdrawals and administrative expenses). The stable value fund is invested in a money market fund, a common/collective trust (the SEI Stable Asset Fund), and synthetic guaranteed investment contracts (GICs). The synthetic GICs are secured by underlying fixed income assets. The average crediting interest rates on the investment contracts were 4.54% and 4.53% for

Edgar Filing: RIO TINTO PLC - Form 11-K

the years ended December 31, 2004 and 2003, respectively. Average duration for all investment contracts was 2.96 years and 3.01 years at December 31, 2004 and 2003, respectively. The average yield was 4.70% and 4.63% for the years ended December 31, 2004 and 2003, respectively. There are no reserves against the contract value for credit risk of the contracted issuer or otherwise.

Page 13 of 20

KENNECOTT CORPORATION
SAVINGS PLAN FOR HOURLY EMPLOYEES
NOTES TO FINANCIAL STATEMENTS
CONTINUED

6. GUARANTEED
INVESTMENT
CONTRACTS
CONTINUED

The contract or crediting interest rates for certain stable value investment contracts are reset quarterly and are based on the market value of the portfolio of assets underlying these contracts. Inputs used to determine the crediting interest rates include each contract's portfolio market value, current yield-to-date maturity, duration and market value relative to contract value. With respect to interest rate resets, all contracts are guaranteed that the rates will not be negative.

A synthetic GIC provides for a guaranteed return on principal over a specified period of time through fully benefit-responsive wrap contracts, issued by a third party which are backed by underlying assets. The portfolio of assets underlying the synthetic GICs has an overall AAA credit quality and includes mortgages, fixed income securities and United States treasury notes and bonds. These wrap contracts provide benefit withdrawals and investment exchanges at the full contract value of the synthetic contracts (principal plus accrued interest) notwithstanding the actual market value of the underlying investments (fair value plus accrued interest).

Wrap contracts are designed to smooth out the impact of normal market fluctuations associated with the performance of the underlying investments. The fair value of the synthetic GICs was \$11,519,614 and \$11,147,794 as of December 31, 2004 and 2003, respectively. The contract value of the synthetic GICs included \$287,377 and \$427,914 as of December 31, 2004 and 2003, respectively, attributable to the wrap contract providers representing the amounts by which the value of the contracts is less than the value of the underlying assets.

7. INCOME TAX

The Internal Revenue Service has determined and

Edgar Filing: RIO TINTO PLC - Form 11-K

STATUS informed the Company by a letter dated December 9, 2002, that the Plan and related trust were designed in accordance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter; however, the Plan Administrator and the Plan's legal counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Page 14 of 20

EMPLOYER

SCHEDU

(a) PARTY IN INTEREST	(b) IDENTITY OF ISSUE	(c) DESCRIPTION OF INVESTMENT	NUMBER OF UNITS
	Mellon Bank	MONEY MARKET FUND: Mellon Bank - STIF Account	94,931
*	SEI Investments Putnam	COMMON COLLECTIVE TRUSTS: SEI Stable Asset Fund Putnam S&P 500 Index Fund	117,351
		Total Common Collective Trusts	
	Managers Dreyfus PIMCO Morgan Stanley Dodge and Cox UAM Trust Company	MUTUAL FUNDS: Managers Special Equity Fund Dreyfus Mid-Cap Value Fund PIMCO Total Return Fund MSDW Institutional International Equity Fund Dodge and Cox Stock Fund UAM/ICM Small Company Fund	10,221 39,345 149,301 17,803 6,932 18,910
*	Putnam	Putnam Asset Allocation: Growth Fund	30,765
*	Putnam	Putnam Asset Allocation: Balanced Fund	37,733
*	Putnam	Putnam Asset Allocation: Conservative Fund	26,969
*	Putnam	Putnam International Equity Fund	110,170
*	Putnam	Putnam Investors Fund	41,876
*	Putnam	Putnam Fund for Growth and Income	276,738
*	Putnam	Putnam New Opportunities Fund	108,846
*	Putnam	Putnam Voyager Fund	149,832

Edgar Filing: RIO TINTO PLC - Form 11-K

Total Mutual Funds

 See report of independent registered public accounting firm.

Page 15 of 20

EMPLOYER

SCHEDU

(a) PARTY IN INTEREST	(b) IDENTITY OF ISSUE	(c) DESCRIPTION OF INVESTMENT	NUMBER OF UNITS
		SYNTHETIC GUARANTEED INVESTMENT CONTRACTS:	
	Monumental Life Insurance Company	Synthetic GIC, Dwight Managed Target 2, no specified maturity date, 5.15%	
	Monumental Life Insurance Company	Synthetic GIC, Dwight Managed Target 5, no specified maturity date, 5.15%	
	Monumental Life Insurance Company	Wrap Contract	
	Transamerica Occidental Life Insurance Co.	Synthetic GIC, Dwight Managed Target 5, no specified maturity date, 5.54%	
	Transamerica Occidental Life Insurance Co.	Wrap Contract	
	State Street Bank	Synthetic GIC, Dwight Core Int Fund, no specified maturity date, 6.07%	
	State Street Bank	Wrap Contract	
	State Street Bank	Synthetic GIC, Dwight Managed Target 2, no specified maturity date, 3.98%	
	State Street Bank	Synthetic GIC, Dwight Managed Target 5, no specified maturity date, 3.98%	
	State Street Bank	Wrap Contract	

Edgar Filing: RIO TINTO PLC - Form 11-K

Total Synthetic Guaranteed Investment Contracts

*	Rio Tinto plc ADRs	COMMON STOCK: Common Stock	30,627
---	--------------------	-------------------------------	--------

Total Investments

See report of independent registered public accounting firm.

Page 16 of 20

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

KENNECOTT CORPORATION SAVINGS PLAN FOR
HOURLY EMPLOYEES

By: /s/ Robert S. Light

Name: Robert S. Light
Title: Chief Financial Officer
Kennecott Utah Copper Corporation

Date: April 25, 2006

Page 17 of 20

Exhibit	Description
-----	-----
23.1	Consent of Tanner LC
23.2	Consent of PricewaterhouseCoopers LLP

