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Rating Agency Release – Moody's Investor Service

Attached is the news release issued overnight by Moody's Investor Service relating to Rio Tinto's credit ratings.

Yours faithfully



Stephen Consedine
Company secretary



Rating Action: Rio Tinto Finance plc

Moody's downgrades Rio Tinto Group's sr. unsec ratings to Baa1; outlook negative

Approximately \$5 billion in rated debt securities downgraded

New York, December 17, 2008 -- Moody's Investors Service downgraded the senior unsecured ratings of entities within the Rio Tinto Group, including Rio Tinto Alcan, to Baa1 from A3. The senior unsecured rating outlook is negative. Moody's affirmed the Prime-2 short-term ratings and their stable outlook. This concludes the review for possible downgrade initiated on November 25, 2008. Following this rating action, Moody's will withdraw Rio Tinto Alcan's (Alcan) Baa1 senior unsecured ratings.

The withdrawal of Alcan's ratings results from the lack of stand alone financial information and the inability therefore to accurately assess the financial standing of Alcan or its cash generation ability relative to its obligations. The rated instruments remain legal obligations of Rio Tinto Alcan without explicit guarantees from Rio Tinto Limited or Rio Tinto plc.

The downgrade captures the heightened degree of financial risk arising from the significant level of debt following the Alcan acquisition in late 2007, and the limited progress in reducing debt through expected asset sales of \$10 billion in 2008. At June 30, 2008 debt to capital, using Moody's standard adjustments, was about 55% compared with 16% at the end of 2006. The downgrade also considers the earnings and cash flow impact that the significant fall off in both metal prices and demand, as well as anticipated iron ore price reductions in 2009, will have on performance in 2009. A key factor in the company's rating will be its ability to execute on its divestiture program and reduce debt over the next twelve months, including the \$8.9 billion outstanding at September 30, 2008 which has a maturity in October 2009, as well as addressing its \$10 billion October 2010 debt maturity.

Further incorporated in the ratings is Moody's expectation that Rio Tinto's mid-term performance is likely to be adversely impacted by negative market conditions for key metals such as copper and aluminum, together with production and grade challenges at certain copper operations. In addition, given the slowdown in global steel production, greater uncertainty exists with respect to mid-term volumes and prices in iron ore, an important business segment.

Rio Tinto's Baa1 rating however, captures its extensive business portfolio of low-cost, long life productive assets, which is expected to enable the company to generate still acceptable earnings and cash flow in the current period of significantly lower commodity prices and economic uncertainty. The rating acknowledges the company's leading global positions in aluminum, iron ore, and copper, its diversity in mineral positions and geographic locations, and considerable operating cash flow generating capability throughout the metal cycle. Rio Tinto's performance also benefits from the operating diversity of its businesses, which are balanced between commodity exposures and negotiated price exposure, such as iron ore and coal, thereby softening the effect of cyclical swings in any particular commodity. The rating also considers the actions the company is implementing to address the severe economic and financial markets downturn, which actions include reducing capital expenditures, reducing operating costs, holding dividends at the 2007 level and expanding the scope of assets eligible for sale.

The negative outlook reflects the need for the company to execute on its asset divestiture program and over the next few months meaningfully retire or demonstrate availability of funds to meet the October 2009 maturity and reduce debt levels. The negative outlook also incorporates the potential for metal prices to continue to weaken over the next several months beyond current estimates, which would result in greater downward pressure on Rio Tinto's financial performance and rating.

Downgrades:

..Issuer: Rio Tinto Alcan Inc.

....Senior Unsecured Regular Bond/Debenture, Downgraded to Baa1 from A3. These ratings will be withdrawn.

..Issuer: Rio Tinto America Inc.

....Issuer Rating, Downgraded to Baa1 from A3

....Senior Unsecured Shelf, Downgraded to (P)Baa1 from (P)A3

..Issuer: Rio Tinto Finance (USA) Limited

....Senior Unsecured Regular Bond/Debenture, Downgraded to Baa1 from A3

....Senior Unsecured Shelf, Downgraded to (P)Baa1 from (P)A3

..Issuer: Rio Tinto Finance Limited

....Senior Unsecured Medium-Term Note Program, Downgraded to Baa1 from A3

..Issuer: Rio Tinto Finance plc

....Issuer Rating, Downgraded to Baa1 from A3

....Senior Unsecured Medium-Term Note Program, Downgraded to Baa1 from A3

....Senior Unsecured Regular Bond/Debenture, Downgraded to Baa1 from A3

..Issuer: Salt Lake County

....Senior Unsecured Revenue Bonds, Downgraded to Baa1 from A3

Outlook Actions:

..Issuer: Rio Tinto Alcan Inc.

....Outlook, Changed To Negative From Rating Under Review

..Issuer: Rio Tinto America Inc.

....Outlook, Changed To Negative From Rating Under Review

..Issuer: Rio Tinto Finance (USA) Limited

....Outlook, Changed To Negative From Rating Under Review

..Issuer: Rio Tinto Finance Limited

....Outlook, Changed To Negative From Rating Under Review

..Issuer: Rio Tinto Finance plc

....Outlook, Changed To Negative From Rating Under Review

Moody's previous rating action for Rio Tinto was on December 10, 2008 when Moody's announced that the ratings continued to be reviewed for possible downgrade.

The principal methodology used in rating Rio Tinto was Moody's Global Mining Industry rating methodology, which can be found at www.moody's.com in the Credit Policy & Methodologies directory, in the Ratings Methodologies subdirectory September 2005, document #94364). Other methodologies and factors that may have been considered in the process of rating this issuer can also be found in the Credit Policy & Methodologies directory.

Headquartered in London, England, Rio Tinto is one of the world's largest diversified mining groups with substantial interests in alumina and aluminum, copper, iron ore, coal, uranium, diamonds and industrial minerals (titanium dioxide feedstock, salt and talc). Rio Tinto generated revenues of \$44.8 billion on a trailing twelve month basis to June 30, 2008.

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