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Exchange rates
The following tables show, for the periods and dates indicated, the exchange rates for the pound sterling and the Australian dollar, based on the Noon Buying Rates from the Federal Reserve Bank of New York as indicated by Bloomberg, expressed in US dollars per £1.00 and per A$1.00. The Noon Buying Rate on such dates differs slightly from the rates used in the preparation of Rio Tinto's consolidated financial statements as of such dates. No representation is made that the pound sterling and Australian dollar amounts have been, could have been or could be converted into US dollars at the Noon Buying Rate on such dates or on any other dates.

Pounds sterling	**Period end**	**Period average**	**High**	**Low**
1998	1.66	1.66	1.72	1.61
1999	1.62	1.62	1.67	1.55
2000	1.49	1.52	1.65	1.40
2001	1.45	1.44	1.50	1.37
2002	1.61	1.50	1.61	1.41
2003 (through 4 April 2003)	1.56	1.60	1.65	1.56
Sep 2002	1.57	1.56	1.57	1.53
Oct 2002	1.56	1.56	1.57	1.54
Nov 2002	1.56	1.57	1.59	1.54
Dec 2002	1.61	1.59	1.61	1.56
Jan 2003	1.65	1.62	1.65	1.60
Feb 2003	1.57	1.61	1.65	1.57
Mar 2003	1.58	1.58	1.61	1.56
Apr 2003 (through 4 April)	1.58	1.57	1.58	1.56

Australian dollars	**Period end**	**Period average**	**High**	**Low**
1998	0.612	0.629	0.687	0.555
1999	0.656	0.645	0.668	0.610
2000	0.556	0.579	0.672	0.511
2001	0.512	0.517	0.571	0.483
2002	0.563	0.544	0.575	0.506
2003 (through 4 April 2003)	0.601	0.594	0.616	0.563
Sep 2002	0.543	0.547	0.552	0.542
Oct 2002	0.555	0.550	0.559	0.542
Nov 2002	0.560	0.561	0.566	0.556
Dec 2002	0.563	0.562	0.566	0.559
Jan 2003	0.586	0.583	0.592	0.563
Feb 2003	0.608	0.596	0.608	0.584
Mar 2003	0.600	0.601	0.616	0.591
Apr 2003 (through 4 April)	0.605	0.602	0.605	0.601

Risk factors
Risk factors have been discussed on page 7 of the 2002 Annual report.

Cautionary statement about forward looking statements
In order to invoke the 'Safe Harbor' provisions of the United States Private Securities Litigation Reform Act of 1995, Rio Tinto is providing the following cautionary statement:

This document contains certain forward looking statements with respect to the financial condition, results of operations and business of the Rio Tinto Group.
These statements may generally, but not always, be identified by the use of words such as "believes", "expects", "may", "should", "will", or similar expressions, used in connection with estimated reserves, anticipated production or construction commencement dates, costs, outputs and productive lives of assets or similar factors. Such forward looking statements involve known and unknown risks, uncertainties and other factors beyond the Group's control. For example, future reserves will be based in part on market prices that may vary significantly from current levels. These may materially affect the timing and feasibility of particular developments. Other factors include the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, and activities by governmental authorities, such as changes in taxation or regulation, and political uncertainty.

The Group cannot guarantee that its forward looking statements will not differ materially from actual results.

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Item 4. Information on the Company

Information on the Rio Tinto Group has been set out on pages 8 to 20 and on pages 24 to 29 of the 2002 Annual report and on pages A-33 to A-38 in the 2002 Annual report – Appendix. A description of Rio Tinto's dual listed companies structure has been set out on pages 68 to 69 of the 2002 Annual report and its principal subsidiaries have been listed in note 31 on page 116 of the 2002 Annual report.

Governmental regulations

Rio Tinto is subject to extensive governmental regulations that affect all aspects of its operations, and consistently seeks to apply best practice in all of its activities. Due to Rio Tinto's product and geographical spread there is unlikely to be any single governmental regulation that could have a material effect. Native title has since 1992 been accepted as a part of Australia's common law. The Native Title Act 1993 provides, amongst other things, a framework for the validation of title, including mining tenements, that might be affected by the existence of native title; the determination of native title claims; a 'right to negotiate' process with respect to the grant of new exploration and mining tenements and certain compulsory acquisitions of land; and the negotiation and registration of indigenous land use agreements. US based operations are subject to local environmental legislation. The South African Department of Mines has recently published a 'scorecard' by which companies will be judged to have made progress with black economic empowerment and the attainment, for value, of the target for 26% ownership in ten years. In addition, new royalty payments are to be introduced that will be calculated on a gross sales value basis in relation to any minerals extracted.

Marketing channels

Each business within each Product group is responsible for the marketing and sale of their respective metal and mineral production. Rio Tinto therefore has numerous marketing channels which vary depending on the individual business and the type of products and markets involved.

In general, Rio Tinto's businesses contract their metal and mineral production direct to end users under long term supply contracts and at prevailing market prices. Typically, these contracts specify annual volume commitments and an agreed mechanism for determining prices, for example, businesses producing non-ferrous metals and minerals reference their sales prices to the London Metal Exchange ('LME') or other metal exchanges such as the Commodity Exchange Inc ('Comex'). Businesses producing coal and iron ore would typically reference their sales prices to annually negotiated industry benchmarks. In markets where international reference market prices do not exist or are not transparent, businesses negotiate product prices on an individual customer basis.

Rio Tinto's marketing channels include a network of regional sales offices worldwide. Some products in certain geographical markets are sold via third party agents or to major trading companies.

A description of Rio Tinto plc's and Rio Tinto Limited's principal markets, a breakdown of revenue by category of activity and geographic market has been set out on pages A-33 to A-39 of the 2002 Annual report – Appendix.

Item 5. Operating and Financial Review and Prospects

Individual listed company information: Rio Tinto plc and Rio Tinto Limited - parts of Rio Tinto Group

The Rio Tinto Group's Operating and Financial review and Prospects have been set out on pages 30 to 49 of the 2002 Annual report. An update on recent developments at the Palabora Mining Company (Palabora) has been set out below.

The economic interests of Rio Tinto plc and Rio Tinto Limited were merged in December 1995 as a result of the Dual Listed Companies ('DLC') merger. The DLC merger has the effect that shareholders can be regarded as having interests in a single economic enterprise that is under common control and management. Accordingly, the Group financial statements and the Operating and Financial Review and Prospects have been presented on a combined basis in the 2002 Annual report. Provided below are separate discussion and analyses relating to Rio Tinto plc and Rio Tinto Limited respectively, as a supplement to the discussion of the Rio Tinto Group set out on pages 30 to 49 of the 2002 Annual report.

Rio Tinto plc - part of Rio Tinto Group

2002 compared with 2001

Rio Tinto plc's net sales revenue (referred to as consolidated turnover in the financial statements) was US$3,929 million in 2002, six per cent higher than in 2001. The increase primarily reflected higher volumes at Utah Copper and higher average prices at Kennecott Energy. Profit on ordinary activities before interest and tax was US$910 million compared with US$1,253 million in 2001. Exceptional asset write downs reflected in this number were US$639 million in 2002 against US$671 million in 2001. US$480 million of the write downs in 2002 and US$531 million of the write downs in 2001 related to Utah Copper. 2002 exceptional asset write downs also included US$89 million relating to Rio Tinto Limited's write down of the Iron Ore Company of Canada Inc. The remainder of the write downs in 2001 related to gold producing assets. In addition, in 2002, there was an exceptional charge of US$116 million relating to environmental remediation works at Utah Copper. None of these exceptional charges would qualify as extraordinary items under US GAAP. In addition to the above exceptional items, the reduction in profit before interest and tax reflected the absence of the US$54 million gain on disposal of Norzink in 2001, adverse exchange rates, inflation and adverse changes in other corporate items including pension costs.