RIO TINTO PLC
Form 11-K
June 29, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

(Mark One)

x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

or

o TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

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 the issuer of the securities held pursuant to the plan and the address of its principal executive office:

Rio Tinto plc
5 Aldermanbury Square
London EC2V 7HR
United Kingdom

KENNECOTT CORPORATION SAVINGS PLAN
FOR HOURLY EMPLOYEES

Financial Statements and Supplemental Schedule

As of December 31, 2009 and 2008 and for the
Year Ended December 31, 2009

Together with Report of Independent Registered Public
Accounting Firm

KENNECOTT CORPORATION SAVINGS PLAN
FOR HOURLY EMPLOYEES
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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.

REPORT OF INDEPENDENT
REGISTERED PUBLIC ACCOUNTING FIRM

The Rio Tinto America Benefits Governance Committee
Kennecott Corporation Savings Plan for Hourly Employees

We have audited the accompanying statements of assets available for benefits of the Kennecott Corporation Savings Plan for Hourly Employees (the Plan) as of December 31, 2009 and 2008 and the related statement of changes in assets available for benefits for the year ended December 31, 2009. 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 audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. 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 audits provide 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, 2009 and 2008, and the changes in assets available for benefits for the year ended December 31, 2009, in conformity with U.S. generally accepted accounting principles.

Our audits of the financial statements were 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, 2009 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 is the responsibility of the Plan's management and 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
June 29, 2010

KENNECOTT CORPORATION SAVINGS PLAN
FOR HOURLY EMPLOYEES

Statements of Assets Available for Benefits

	December 31,	
	2009	2008
Assets		
Investments, at fair value	$50,161,012	$37,320,406
Employer contributions receivable	-	882
Assets available for benefits, at fair value	50,161,012	37,321,288
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	574,180	1,527,210
Assets available for benefits	$50,735,192	$38,848,498

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, 2009
Additions to assets attributed to:	
Contributions:	
Employee	$2,645,754
Employer	855,001
Total contributions	3,500,755
Net investment income:	
Net appreciation in fair value of investments	10,118,662
Interest and dividends	1,664,977
Total investment income, net	11,783,639
Total additions	15,284,394
Deductions from assets attributed to:	
Benefits paid to participants	3,133,963
Transfers to the Rio Tinto America Inc. Savings Plan	243,445
Administrative expenses	20,292
Total deductions	3,397,700
Net increase in assets available for benefits	11,886,694
Assets available for benefits:	
Beginning of year	38,848,498
End of year	$50,735,192

See accompanying 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 the 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 or the Employer), as defined in the plan document. Eligible employees can participate in the 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 $16,500 ($22,000 for participants over age 50) for the year ended December 31, 2009. 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 participants' 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.

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.

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1. Description of the Plan Continued

Participant-Directed Options for Investments
Participants direct the investment of their contributions and the Company matching contributions into various investment options offered by the Plan. Investment options include mutual funds, a common collective trust, common stock of the Parent in the form of American Depositary Receipts (ADRs), and a stable value fund consisting of a money market fund, a common collective trust and synthetic guaranteed investment contracts.

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. Upon death and retirement a participant becomes 100% vested.

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.

Transfers
Along with the Plan, the Company employees also participate in another 401(k) plan that covers employees not represented by a collective bargaining unit (union). If employees change from union to non-union status during the year, their account balances are transferred from the Plan to the non-union plan; namely, the Rio Tinto America Inc. 401(k) Savings Plan and Investment Partnership Plan. For the year ended December 31, 2009, transfers out of the Plan totaled $243,445.

Forfeited Accounts
Forfeited non-vested participant account balances may be used to reduce future Company contributions to the Plan. During the year ended December 31, 2009, $20,268 in forfeitures was used to pay expenses of the Plan. Forfeitures were $4,251 for the year ended December 31, 2009. Interest and dividends attributable to the forfeitures were $439 for the year ended December 31, 2009. Gains attributable to the forfeitures were $1,976 for the year ended December 31, 2009. As of December 31, 2009 and 2008, the

balance of the forfeiture account was $2,627 and $16,229, respectively.

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2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Plan have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 962 (formerly known as FASB staff position No. AAG INV-1 and Statement of Position (SOP) 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans (the FSP), requires investment contracts held by a defined-contribution plan to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. As required by the FSP, the Statement of Assets Available for Benefits presents the fair value of the investment contract as well as the adjustment of the fully benefit-responsive investment contract from fair value to contracts value. The Statement of Changes in Assets Available for Benefits is prepared on a contract value basis.

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 benefits 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.

2. Summary of Significant Accounting Policies Continued

Investment Valuation and Income Recognition
The Plan's investments in mutual funds are valued at quoted market prices, which represent the net asset values of units held by the Plan at year end. Plan investments in common stock are stated at fair value based on quoted market prices. Common collective trusts are valued at the asset value per unit as determined by each common collective trust as of the valuation date. The fair value of the Plan's interest in the Dwight Stable Value Fund (see detail of investments included in this fund in Note 4) is generally based upon the per-share net asset values of the underlying securities.

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 in the fair value of investments, which includes realized gains (losses) and unrealized appreciation (depreciation) on those investments, is presented in the Statement of Changes in Assets Available for Benefits of the Plan, and totaled $10,118,662 for the year ended December 31, 2009 (see Note 7).

Payments of Benefits
Benefits are recorded when paid by the Plan.

Administrative Expenses
The Company pays the majority of costs and expenses incurred in administering the Plan. The Company provides accounting and other services for the Plan at no cost to the Plan.

The Plan has several fund managers that manage the investments held by the Plan. Fees for investment fund management services are included as a reduction of the return earned on each fund. In addition, during the year ended December 31, 2009, the Company paid all investment consulting fees related to these investment funds.

The 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.