

Rio Tinto's Tom Albanese quits

Tom Albanese has, by mutual agreement with the board, stepped down as chief executive of Rio Tinto and iron ore chief executive Sam Walsh has been appointed as his successor with immediate effect.

The global mining giant also announced on Thursday (17 January) that it expects to record a non-cash impairment charge of US\$14bn (after tax) in its full year results for 2012.

The impairments include an amount of about US\$3bn relating to Rio Tinto Coal Mozambique, as well as reductions in the carrying values of Rio Tinto's aluminium assets (mostly Rio Tinto Alcan but also Pacific Aluminium) in the range of US\$10bn-US\$11bn.

The group also expects to report a number of smaller asset write-downs in the order of US\$500m. The final figures will be included in Rio Tinto's full year results when these are released on 14 February.

The group also announced that Doug Ritchie, who led the acquisition and integration of the Mozambique coal assets in his previous role as energy chief executive, has also quit by mutual agreement.

"The Rio Tinto board fully acknowledges that a write-down of this scale in relation to the relatively recent Mozambique acquisition is unacceptable. We are deeply disappointed to have to take a further substantial write-down in our aluminium businesses, albeit in an industry that continues to experience significant adverse changes globally," said Rio Tinto chairman Jan du Plessis.

"Rio Tinto's underlying business and balance sheet remain in good health and we are taking decisive action to improve our competitive position with an aggressive cost reduction plan.

"We had a strong production year in 2012, particularly in our low-cost iron ore business where we produced a record 253m tons.

"Since the price of iron ore dropped to a low of less than \$US90 a ton last September, prices have rebounded strongly reaching around \$US150 a ton earlier this week," said Du Plessis.