

ASX Announcement

5 November 2015

Alcoa Investor Day presentation

Attached is information prepared by Alcoa Inc. relevant to AWAC that was included in presentations provided by Alcoa at its Investor Day Conference held on 4 November 2015. AWAC is a joint venture between Alumina Limited and Alcoa Inc. AWAC is 60% owned and managed by Alcoa and 40% owned by Alumina Limited.

All presentations made at the Alcoa Investor Day Conference are available in the **Invest** section of the Alcoa web site.

Alumina Limited also notes that since the end of 3Q 2015 it has received a dividend from AWAC of US\$34.6 million.

Forward-looking statements

Neither Alumina nor any other person warrants or guarantees the future performance of Alumina or any return on any investment made in Alumina securities. This document may contain certain forward-looking statements, including forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. The words "anticipate", "aim", "believe", "expect", "project", "estimate", "forecast", "intend", "likely", "should", "could", "will", "may", "target", "plan" and other similar expressions (including indications of "objectives") are intended to identify forward-looking statements. Indications of, and guidance on, future financial position and performance and distributions, and statements regarding Alumina's future developments and the market outlook, are also forward-looking statements.

Any forward-looking statements contained in this document are not guarantees of future performance. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Alumina and its directors, officers, employees and agents that may cause actual results to differ materially from those expressed or implied in such statements. Those risks, uncertainties and other factors include (without limitation): (a) material adverse changes in global economic conditions, alumina or aluminium industry conditions or the markets served by AWAC; (b) changes in production or development costs, production levels or sales agreements; (c) changes in laws, regulations or policies; (d) changes in alumina or aluminium prices or currency exchange rates; (e) Alumina Limited does not hold a majority interest in AWAC and decisions made by majority vote may not be in the best interests of Alumina Limited; and (f) the other risk factors summarised in Alumina's Annual Report 2014. Readers should not place undue reliance on forward-looking statements. Except as required by law, Alumina disclaims any responsibility to update or revise any forward-looking statements to reflect any new information or any change in the events, conditions or circumstances on which a statement is based or to which it relates.

This presentation contains certain non-IFRS financial information. This information is presented to assist in making appropriate comparisons with prior year and to assess the operating performance of the business. Where non-IFRS measures are used, definition of the measure, calculation method and/or reconciliation to IFRS financial information is provided as appropriate or can be found in the Alumina Limited's ASX Half-Year Report for the period ended 30 June 2015.



Stephen Foster
Company Secretary

5 November 2015

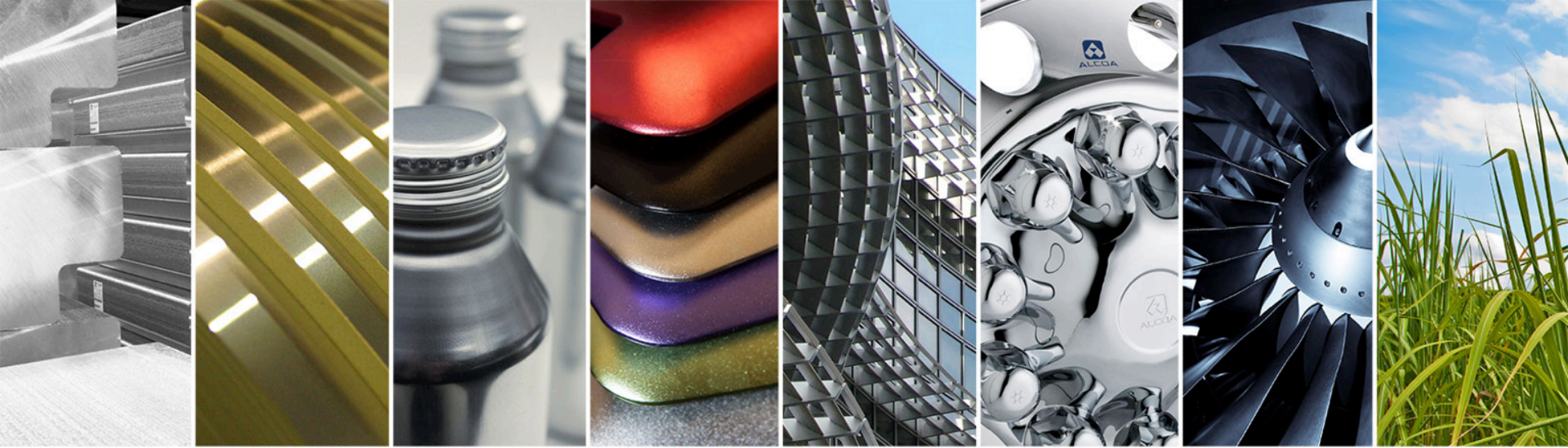
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Advancing each generation.



Alcoa Investor Day 2015

Roy Harvey, EVP and Group President – Global Primary Products

November 4, 2015

Global Primary Products: Cost-Competitive Industry Leader

Alumina

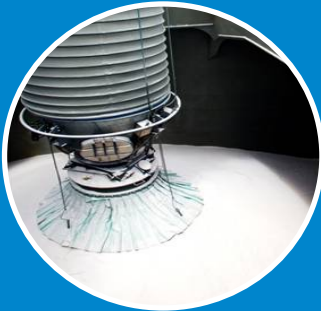
Primary Metals

MINING



World's largest bauxite miner¹

REFINING



1st quartile¹ cost curve refiner

ENERGY



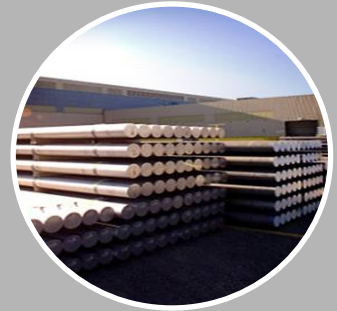
Operational flexibility to profit from market cyclicality

SMELTING



Strategic global footprint

CASTING



Value-add products in key markets

2014 | **Employees:** ~16,000 | **Locations**²: 64 operations in 10 countries | **Third-party revenue:** \$10.3B

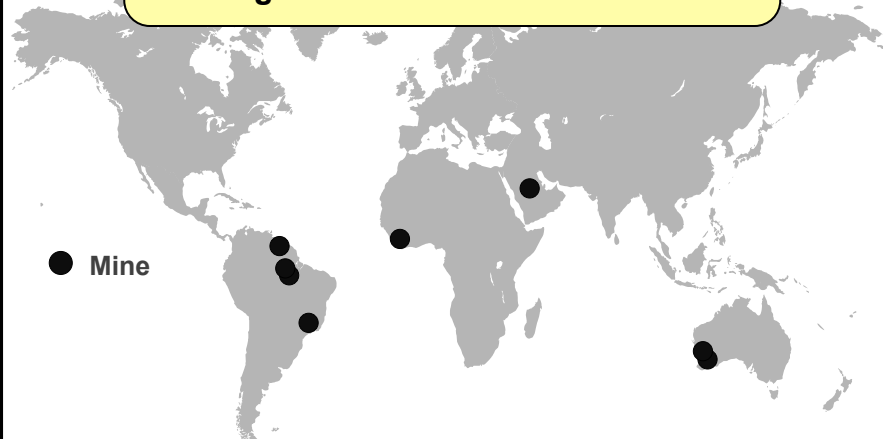
1) CRU and Alcoa analysis. 2) Figures include equity interests.

Mining: World's Largest Bauxite Miner

Mining Global Footprint and Competitive Attributes

Highly competitive, low-cost bauxite position...

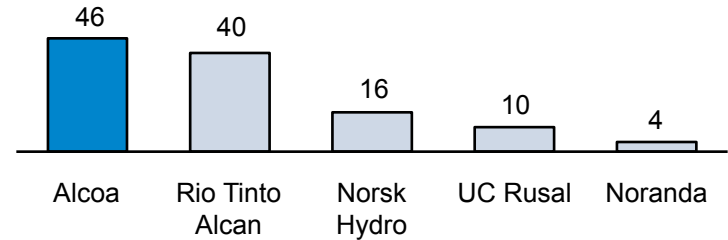
Alcoa World Alumina and Chemicals (AWAC) partnership is the **Largest Bauxite Miner** in the world



1st Quartile Cost curve position¹

...and largest global bauxite miner

2014 Bauxite Production^{2,3} (M BDMT)



Marketing

- Building out 3rd party bauxite business
- Proximity to owned refinery operations
- Strong presence in Atlantic and Pacific markets

China imports 40% - 60% of its bauxite demand

Governance⁴

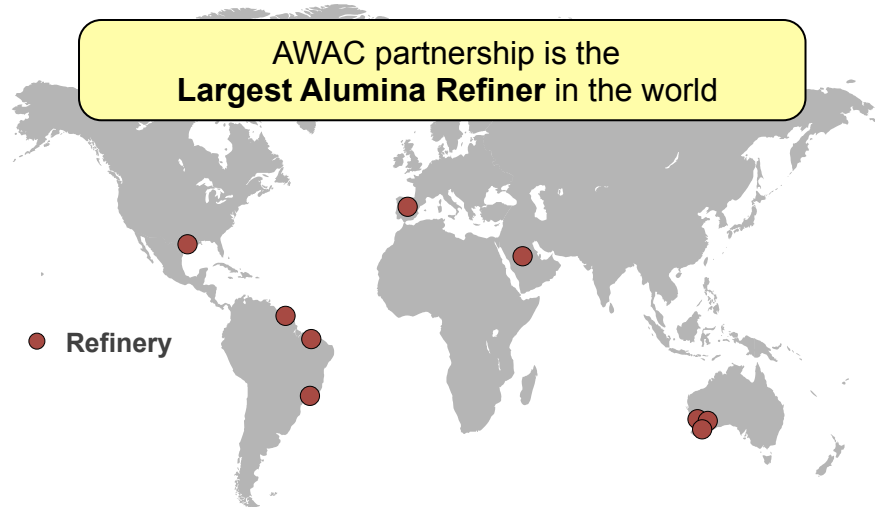
- Operator of 5 of 8 mines
- Equity interests in operations in Brazil, Guinea and Saudi Arabia

Refining: The World's Most Attractive Alumina Business

Refining Global Footprint and Competitive Attributes

Refining has proven its ability to consistently deliver productivity gains...

AWAC partnership is the **Largest Alumina Refiner** in the world

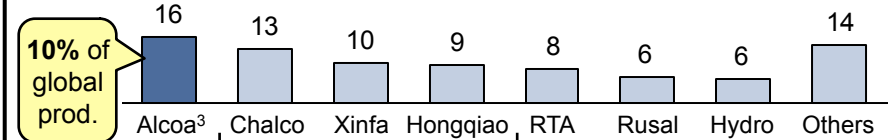


Active portfolio management

- Proven ability to **fix, divest, close or curtail assets**
 - Sold Jamalco, curtailed Suralco, adapted Pocos to NMA
- Captured **\$1.8B in productivity¹ gains**

...and has several success factors ensuring its long-term competitiveness

2015E alumina production from top 10 producers^{2,3}(mmt)



China imports 6.5% of annual demand = 3.9MMT 2015E

Energy

- New **gas supply agreement** secures a **low cost position** for Western Australia refineries **through 2032**
- San Ciprian **nat. gas solution**; **~\$20/MT improvement** in 2015E
- **N.A. refining benefiting from shale gas revolution**

Marketing

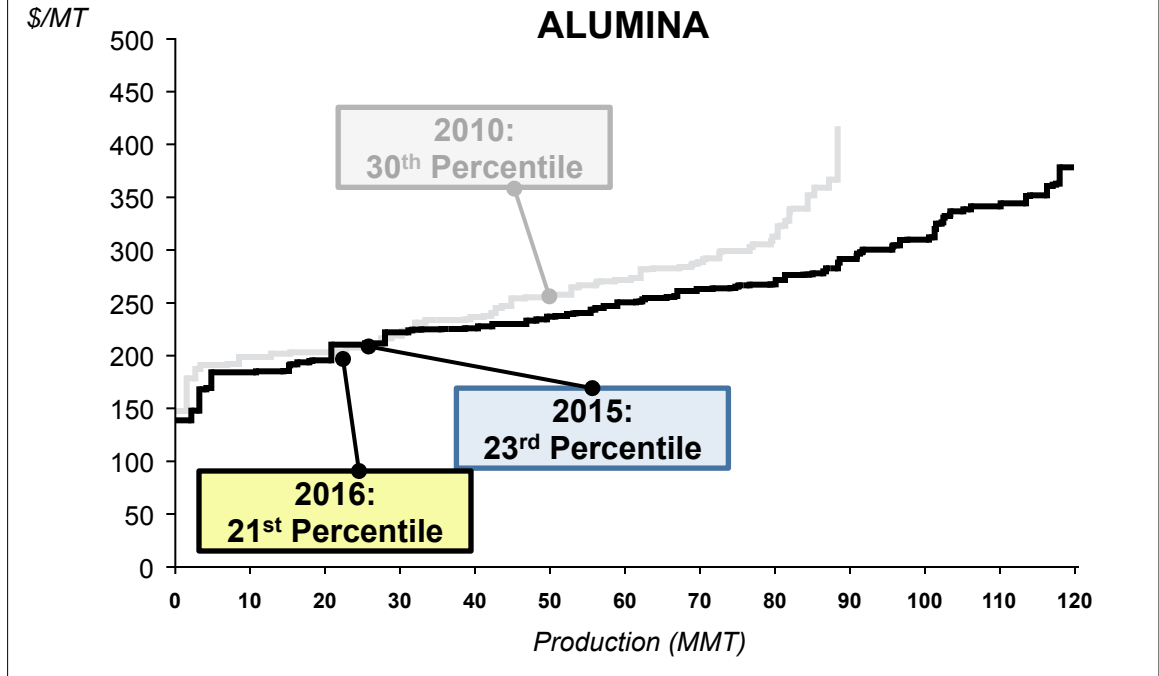
- Access to **growth markets in Asia, Middle East, and Latin America**
- **3rd party shipments of 10.7mmt in 2014**
- Expect **~75%⁴ of 3rd party smelter-grade shipments on API/Spot**

1) Includes mining and refining. 2009-2014 Productivity figures, pretax and pre-minority interest. 2009/2010 represents net productivity. 2011-2014 represent gross productivity. 2) CRU and Alcoa Analysis. 3) Based on Alcoa analysis; including 100% of AWAC's interest. 4) In 2015E. NMA = Non-metallurgical alumina API = Alumina Price Index

Alumina Position Moves Two Points Down Cost Curve in 2015

Global alumina cost curves: 2010 and 2015

Alcoa moves to 23rd Percentile in 2015



Key 2015 actions

Reshaping portfolio:

- Saudi Arabia joint venture refinery reaching 1 million tons in 2015
- Full curtailment of Suralco
- Benefit of Jamalco sale

Lowering costs:

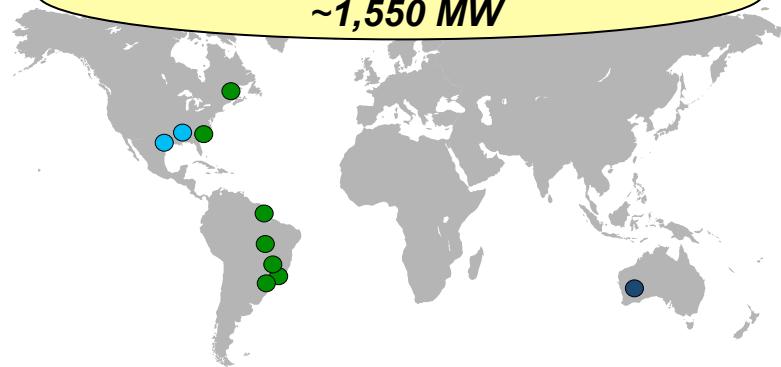
- San Ciprian conversion to natural gas
- Improved productivity by \$4 per metric ton/year

Alcoa Energy: Driving Value through Substantial Energy Assets

Energy Global Footprint and Competitive Attributes

Energy assets¹ in North and South America and Australia...

Power production capacity of
~1,550 MW



● Coal ● Hydroelectric ● Gas Pipeline

Country	Consolidated Capacity (MW)
Brazil ²	492
Canada	132
Suriname	189
United States	739

...are managed to create maximum profitability under a variety of situations

Strategic power management

- Provides optionality between **market sales** and **metal production** (~30% currently used for metal production)
- Sell ~70% of capacity into the power grid, depending on the power requirements of other assets
- Capturing significant earnings from **power sales** globally
- Securing energy needs with 3rd parties for operations

Asset portfolio

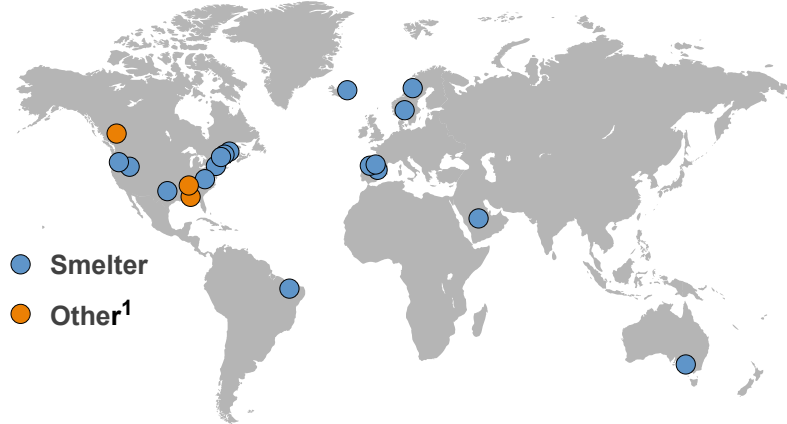
- ~65% of generation is **hydroelectric**
- 20% owner of the Dampier to Bunbury **Nat. Gas Pipeline**, critical piece of W. Australia's energy infrastructure

1) Alcoa has an equity interest in the majority of facilities. 2) The Consolidated Capacity of the Brazilian energy facilities is the assured energy that is approximately 55% of hydropower plant nominal capacity.

Alcoa Smelting: Portfolio Improved, With More Progress Ahead

Smelting Global Footprint and Competitive Attributes

Proven ability to consistently deliver productivity gains in aluminum production...



Active portfolio management

- Proven ability to **fix, divest, close or curtail assets**
 - 1.4M MT (33%) operating capacity closed/curtailed/divested since 2007
- Captured **\$2.1B in productivity² gains**

...is complemented by success factors ensuring long-term competitiveness

World's fourth largest producer of aluminum

- ~50% of capacity, 1.7M MT, at top-tier sites
 - Canada, Iceland, Norway
 - **25.1% ownership of the world's lowest cost smelter (Saudi Arabia JV)**
- ~600 kmt of flex capacity
- Review of **500 kmt** of capacity; taking action

Sustainable energy

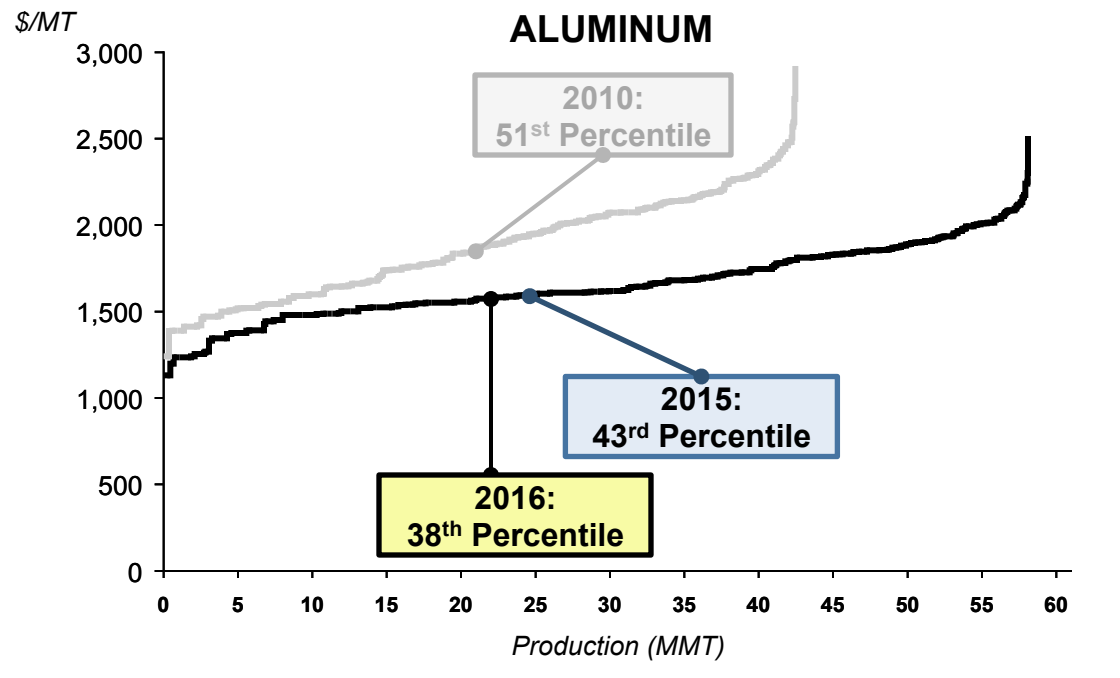
- ~70% of smelter power is hydroelectric
- ~75% of smelter power secured through 2022
- ~20% of worldwide smelter power is **self-generated**; remainder purchased through **long-term agreements**

¹ Other includes Lake Charles (carbon products), Gum Springs (spent potlining treatment facility), and Strathcona (carbon products). Includes energy assets, smelting, and casting. 2009-2014 Productivity figures, pretax and pre-minority interest. 2009/2010 represents productivity. 2011-2014 represents gross productivity.

Aluminum Position Moves 8 points in 5 Years

Global aluminum cost curves: 2010 and 2015

Cost-per-metric-ton declines as we hold 43rd position



Key 2015 actions

Reshaping portfolio:

- Saudi Arabia joint venture smelter at nameplate (740 kmt)
- Curtailment of Sao Luis, closure of Pocos

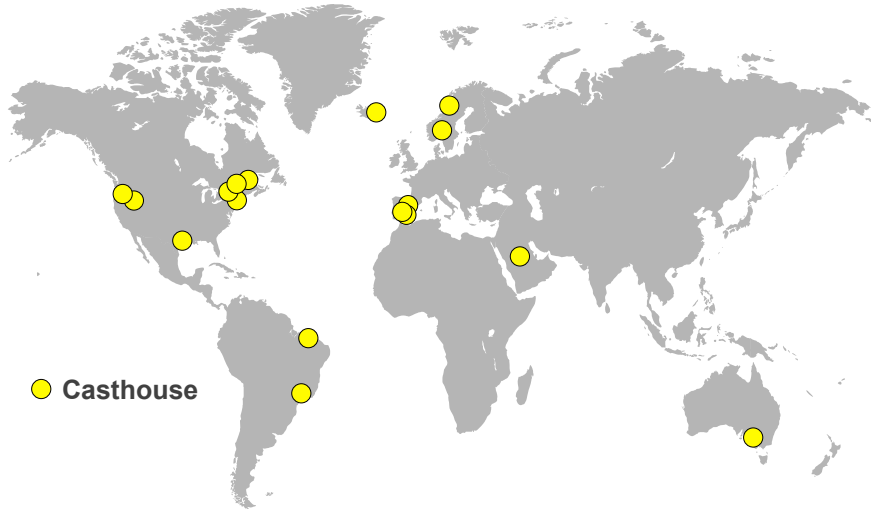
Lowering costs:

- Improved productivity by \$12 per metric ton/year
- Reduced energy costs at Intalco; benefit of Quebec contracts

Alcoa Casting: Offering Value-Add Opportunities

Casting Global Footprint and Competitive Attributes

Unique global network of casthouses...



● Casthouse

World-class casthouses

- 17 casthouses providing value-add products
- Casthouse **Center of Excellence** driving continuous improvement and best practice sharing across the portfolio

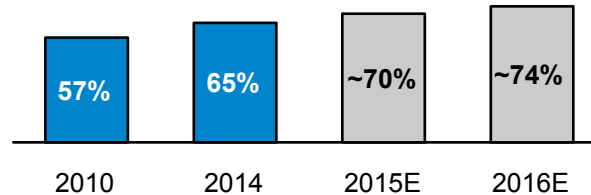
...continuously shifting to high value-add products serving a broad customer base

Serving growing markets

- ~70% value-add products in 2015E
- Slab casting supporting automotive growth
- Billet production serving growing extrusion markets



Value-add products as % of total shipments



Value-Add portfolio provides profits throughout the cycle:

\$1.5B
in incremental margin 2010 through 2015 Sep YTD

Creating value for customers

- Innovative **new foundry alloys** for automotive market
- Alloys qualified with top tier OEM; 8 trials ongoing; 20 more planned

Primary Metals: \$110 - \$130M Improvement Plan Underway

Track Record, Historical Performance and Improvement Plan

Optimizing Portfolio

- **33% operating capacity** closed/curtailed/divested since 2007
- **\$2.1B in productivity¹ gains**
- Moved **8 points down the cost curve** in 5 years
- **Flex energy assets**

Continuous Execution on Portfolio Improvements

➤ Year-to-Date Actions:

- **Curtailed Sao Luis smelter:** 74 kmt
- **Closed Pocos smelter:** 96 kmt
- **Curtailed US smelters:** 503kmt
- **Closed Anglesea power station**
- **Secured 2016 interruptibility sales for Spain** (408 kmt⁴)

Strategic Review of Smelter Capacity (500 kmt)

**\$110 - \$130M
Improvement in 2016**

Building Financial Resilience

All-in Metal Price (\$/mt)

Price:

-7%

2,311 2,142

EBITDA² / MT

EBITDA/MT:

+10%

320 353

2010

LTM 2015³

Launched Aggressive Primary Metals Improvement Program

Operations

\$35 - \$40M

- **Reduce spend usage and demand**
- **Accelerate productivity, labor cost reduction**

Procurement

\$40 - \$45M

- **Raw material price reductions**
- **Energy contract renegotiations**

Overhead

\$10 - \$15M

- **Overhead labor and spend reductions**

Value-Add Margin

\$25 - \$30M

- **Casting throughput optimization**
- **Casting technology upgrades**

1) Includes energy assets, smelting, and casting. 2009-2014 Productivity figures, pretax and pre-minority interest. 2009/2010 represent net productivity. 2011-2014 represent gross productivity. 2) ATOI was \$488M in 2010 and \$462M in LTM 2015 3) Last Twelve Months ended September 30, 2015. 4) Includes 56 kmt of idle capacity. 5) Includes 49 kmt of idle capacity. See appendix for EBITDA reconciliation. BPA = Bonneville Power Administration

Decisive Action on Strategic Review

Actions taken against strategic capacity review

Smelting 2015 Actions

- Close **Pocos** (96 kmt)
- Curtail **Sao Luis** (74 kmt)
- Curtail **Intalco** (230 kmt)
- Curtail **Wenatchee** (143 kmt)
- Curtail **Massena West** (130 kmt)
- End modernization at **Massena East**

Strategic review of
500,000 metric tons smelting capacity;
2.8 mmt refining capacity
March 2015

Refining 2015 Actions

- Curtail remaining **Suralco** capacity (1.3 mmt)
- Curtail partial capacity at **Pt. Comfort** (1.2 mmt)

2015 Actions =
673,000 metric tons smelting capacity
2.5 million metric tons refining capacity

Aluminum Market Misconceptions – Setting the Record Straight

Fiction...

- X*** ***The fundamental outlook of aluminum is weak***
- X*** ***Aluminum supply glut will continue***
- X*** ***China exporting primary aluminum***
- X*** ***China exports increasing***

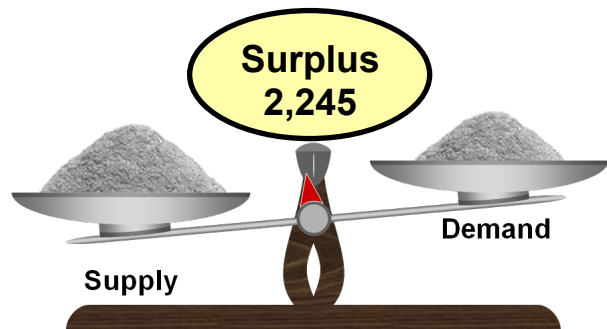
Fact...

- ✓ **Global demand on track to double between 2010 and 2020**
- ✓ **Progressively tightening market is leading to global deficit for 2016**
- ✓ **Inventories are low based on days of consumption**
- ✓ **China is not exporting primary aluminum**
- ✓ **Exports of fake semis declining**

Alumina Market Moves from Surplus into Deficit in 2016

Alumina Supply/Demand Forecasts in kmt

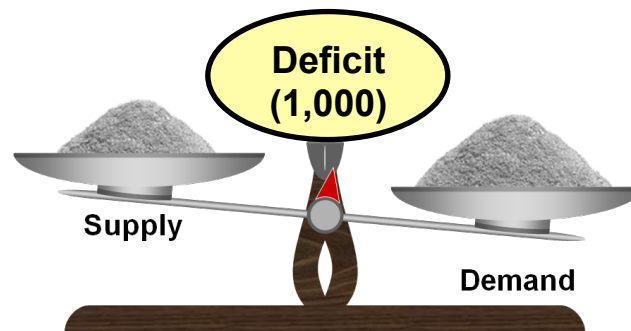
Q3 2015 Alumina Balance



China Rest of World

2015 Prod. YTD Aug + Sep-Dec at Run Rate	55,354	55,314
2015 Prod. to be Added/Restarted in Sep-Dec	1,453	1,752
2015 Prod. to be Closed/Curtailed in Sep-Dec	0	(166)
Imports/(Exports) – Full Year	<u>3,900</u>	<u>(3,900)</u>
Total 2015 Production	60,707	53,000
2015 Demand	<u>(60,050)</u>	<u>(51,412)</u>
Net Balance	657	1,588

2016 Alumina Balance



China Rest of World

2016 Prod. at Beginning Run Rate	56,807	56,900
2016 Prod. to be Added/Restarted	3,993	1,610
2016 Prod. to be Closed/Curtailed	(500)	(1,581)
Imports/(Exports) – Full Year	<u>4,250</u>	<u>(4,250)</u>
Total 2016 Production	64,550	52,679
2016 Demand	<u>(64,535)</u>	<u>(53,694)</u>
Net Balance	15	(1,015)

Aluminum Demand Robust; Current Run-rate Surpasses Expectations

In 2009, Alcoa said **aluminum demand would double in next decade**

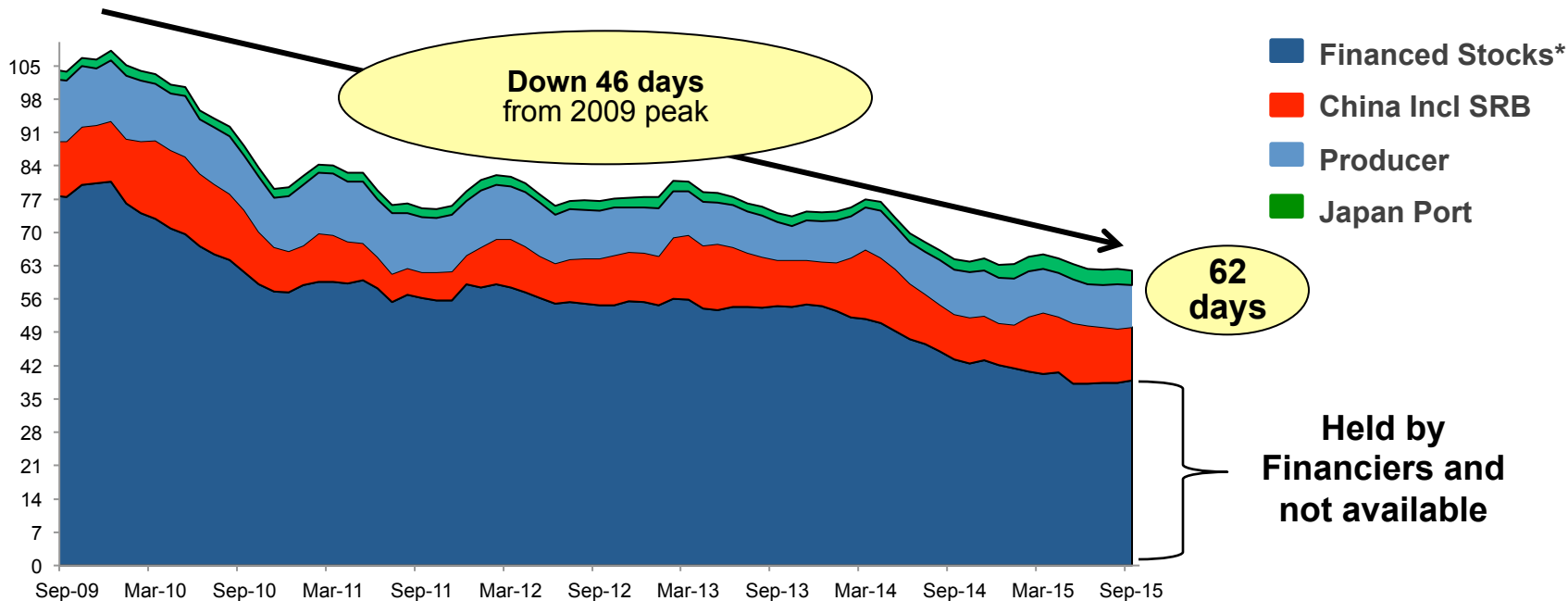
To achieve rate, **6.5% average growth rate needed**

In **first five years** of decade, **growth rate is 7.7%**

The world is aluminizing!

Global Inventories at 6-year Low

Total Global Inventories – Days of Consumption



*Financed stocks include LME on warrant, LME cancelations and all Off Exchange

China is Not an Exporter of Primary Aluminum; Fake Semis Declining

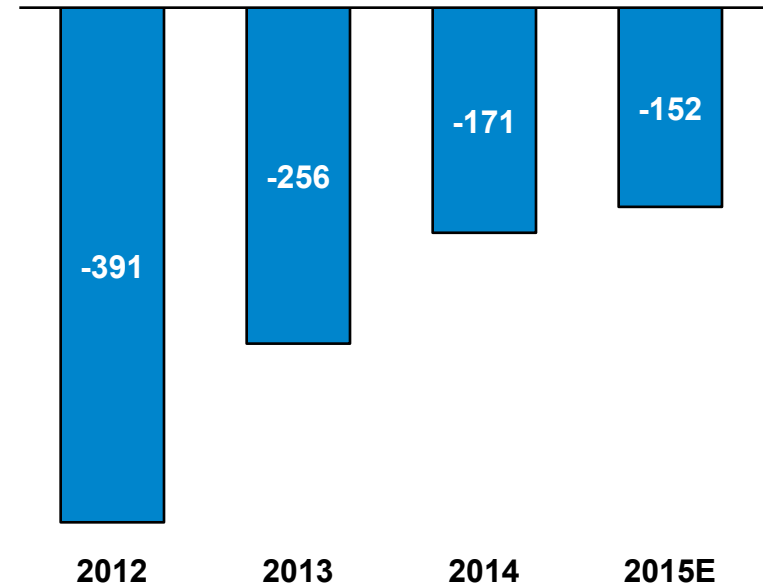
China Aluminum Trade Policy and Trade Flows

Trade policy encourages value-added exports

- China levies a **15% duty on primary aluminum exports** to discourage overproduction of primary aluminum
- Chinese producers **receive a 13% VAT rebate** on export of semi-finished aluminum products
- Over the past 4 years, China has been a **net importer of primary aluminum**
- China exporting semis; **but fake semis declining**

China is a net importer of primary aluminum

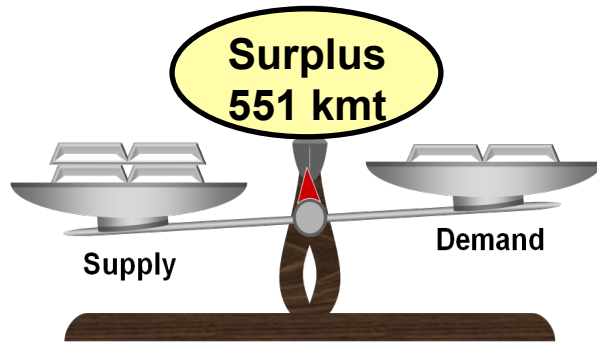
China net trade in primary aluminum in '000 mt



Deficit in 2016 on Smaller Production Increases vs. Demand

Aluminum Supply/Demand Forecasts in kmt

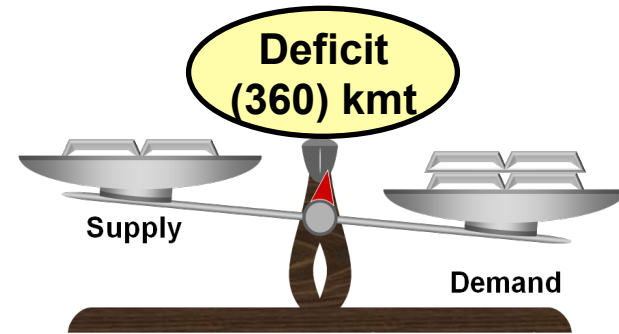
2015E Aluminum Balance



China Rest of World

	China	Rest of World
Production YTD Aug + Sep-Dec at Run Rate	31,512	26,526
Production to be Added/Restarted in Sep-Dec	650	293
Production to be Closed/Curtailed in Sep-Dec	<u>(1,048)</u>	0
Total Supply	31,114	26,819
Demand	<u>(29,100)</u>	<u>(28,282)</u>
Net Balance	2,014	(1,463)

2016E Aluminum Balance



China Rest of World

	China	Rest of World
Production at Beginning Run Rate	31,053	26,850
Production to be Added/Restarted	3,400	1,058
Production to be Closed/Curtailed	<u>(1,500)</u>	<u>(750)</u>
Total Supply	32,953	27,158
Demand	<u>(31,217)</u>	<u>(29,254)</u>
Net Balance	1,736	(2,096)

Aluminum Market Misconceptions – Setting the Record Straight

Fiction...

- X The fundamental outlook of aluminum is weak*
- X Aluminum supply glut will continue*
- X China exporting primary aluminum*
- X China exports increasing*

Fact...

- ✓ **Global demand on track to double** between 2010 and 2020
- ✓ Progressively tightening market is leading to **global deficit for 2016**
- ✓ **Inventories are low** based on days of consumption
- ✓ **China is not exporting primary aluminum**
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Global Primary Products: A Globally Competitive Commodity Business

Reshaping portfolio; lowering cost base

Driving profitability through five strong business units

Market fundamentals remain solid