

ASX Announcement

12 January 2016

Alcoa Fourth Quarter Earnings Release

Alumina Limited (ASX: AWC) notes Alcoa's quarterly earnings release and attaches it for reference. Selected information from the Alcoa alumina business segment and relevant market data to assist readers in understanding the market, operational and commercial matters of Alcoa World Alumina & Chemicals ("AWAC") is also attached.

Alumina Limited's CEO, Peter Wasow, commented, "Lower alumina and aluminium prices and unfavourable currency movements have negatively impacted margins during the fourth quarter of 2015. Higher production at Australian refineries, continued productivity improvements, energy savings and cost control partially offset these declines. AWAC continues to adjust its portfolio to improve its cost position and ensure continued competitiveness in the prevailing market conditions."

AWAC's production of alumina was 3.7 million tonnes for the quarter.

Alumina Limited received \$35.2 million of dividends and distributions from AWAC and made cash capital contributions of \$2.4 million to AWAC in the quarter.

Alumina Limited's net debt was approximately US\$101 million at the end of December 2015.

About AWAC & Alcoa's Earnings Release

Alumina Limited owns 40% of each of the AWAC entities, which form a part of the Alcoa alumina business segment. The Alcoa primary metals business segment includes the AWAC Point Henry smelting (closed 1 August 2014), Portland smelting and Anglesea power station operations (closed 31 August 2015). Therefore, the AWAC results cannot be directly inferred from the Alcoa earnings release. Further, unlike Alumina Limited, Alcoa reports under US GAAP.

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 2015. 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.



Stephen Foster
Company Secretary

12 January 2016

For investor enquiries:

Chris Thiris
Chief Financial Officer
Phone: +61 3 8699 2607
chris.thiris@aluminalimited.com

Charles Smitheram
Manager – Treasury & Investor Relations
Phone: +61 3 8699 2613
charles.smitheram@aluminalimited.com

For media enquiries:

Nerida Mossop
Hinton and Associates
Phone: +61 3 9600 1979
Mobile: +61 437 361 433



Investor Contact
Nahla Azmy
(212) 836-2674
Nahla.Azmy@alcoa.com

Media Contact
Monica Orbe
(212) 836-2632
Monica.Orbe@alcoa.com

Alcoa Reports Fourth Quarter 2015 and Full-Year Results

*Value-Add delivers solid results and Upstream profitable, overcoming lower alumina and aluminum prices
Portfolio strengthened ahead of separation*

4Q 2015 Results

- Net loss of \$500 million, or \$0.39 per share; excluding-special items, net income of \$65 million, or \$0.04 per share
- Revenue of \$5.2 billion, 7 percent revenue increase year-over-year from aerospace and acquisitions more than offset by a 25 percent decrease from lower alumina and aluminum prices, divestitures and closures
- Value-Add businesses: \$3.3 billion of revenue, after-tax operating income of \$215 million and adjusted EBITDA of \$448 million
 - Global Rolled Products: \$52 million after-tax operating income; year-over-year auto sheet shipment growth of 18 percent; shifting revenue mix to higher margin products resulted in an adjusted EBITDA per metric ton increase of 19 percent year-over-year
 - Engineered Products and Solutions: record revenue of \$1.4 billion as well as \$123 million after-tax operating income; year-over-year aerospace revenue increased 34 percent
 - Transportation and Construction Solutions: \$40 million after-tax operating income and record fourth quarter adjusted EBITDA margin of 14.6 percent
- Upstream businesses: \$2.4 billion of revenue, after-tax operating income of \$58 million, and adjusted EBITDA of \$239 million
 - Sequential price declines in alumina of 24 percent and aluminum of 1 percent (down 43 percent and 28 percent, respectively, in 2015); Alumina profitable and Primary Metals improved adjusted EBITDA per metric ton sequentially
 - Alcoa projecting robust global aluminum demand growth, up 6 percent over 2015, and global alumina and aluminum deficits in 2016
- Productivity gains of \$350 million year-over-year across all segments
- \$865 million in cash from operations; \$467 million in free cash flow
- \$1.9 billion of cash on hand

4Q 2015 Business Highlights

- Aerospace growth strategy delivers: three major multi-year aerospace contracts in the fourth quarter; approximately \$9 billion in 2015 contracts, double the amount of 2014
 - More than \$2.5 billion in multi-year agreements with Boeing for fastening systems and titanium seat tracks with RTI pull-through
 - \$1.5 billion-plus multi-year agreement with GE Aviation for blades, vanes and structural parts
- Aggressive Upstream portfolio actions:
 - Announced curtailments and closures of approximately 25 percent operating smelting and approximately 20 percent operating refining capacity in 2015
- Launched new business improvement programs for 2016:
 - Value-Add to deliver \$650 million
 - Upstream to deliver \$600 million
 - Above includes overhead reduction across Alcoa with \$100 million to be realized in 2016, \$225 million over two years
- Two strengthened portfolios on track for separation in the second half of 2016
 - Announced executive management teams for the future Value-Add and Upstream companies
 - Form 10 filing with the U.S. Securities and Exchange Commission targeted by mid-year

Full-Year 2015 Results

- Net loss of \$121 million, or \$0.15 per share; excluding special items, net income of \$787 million, or \$0.56 per share
- Revenue of \$22.5 billion, down 6 percent from 2014
- Value-Add portfolio after-tax operating income of \$1.0 billion and adjusted EBITDA up 5 percent over 2014
 - Global Rolled Products after-tax operating income of \$244 million and 15 percent increase in adjusted EBITDA per metric ton; auto sheet shipments doubled from 2014
 - Engineered Products and Solutions revenue up 27 percent, after-tax operating income of \$595 million and adjusted EBITDA up 9 percent
- \$1.6 billion in cash from operations; \$402 million in free cash flow
- \$1.2 billion in productivity gains

New York, Jan. 11, 2016 – Lightweight metals leader Alcoa (NYSE:AA) today reported full-year 2015 results, ending the year on solid operational footing. In fourth quarter 2015, the Value-Add businesses reported strong performance, while the Upstream remained profitable despite lower alumina and aluminum prices. Every segment delivered productivity gains. The Company also undertook restructuring to further strengthen the Upstream portfolio and streamline overhead ahead of its planned separation in the second half of 2016.

In fourth quarter 2015, Alcoa reported a net loss of \$500 million, or \$0.39 per share. Results include \$565 million in special items related primarily to closures or curtailments of capacity in the Upstream business and discrete income tax charges. Fourth quarter 2015 results compare to net income of \$159 million, or \$0.11 per share, in fourth quarter 2014.

Excluding special items, fourth quarter 2015 net income was \$65 million, or \$0.04 per share, compared to net income of \$432 million, or \$0.33 per share, in the year-ago period. Strong productivity gains were more than offset by lower alumina and aluminum prices. In 2015, the Midwest transaction price for primary aluminum fell \$657 per metric ton, or 28 percent, and the Alumina Price Index dropped \$154 per metric ton, or 43 percent.

Fourth quarter 2015 revenue was \$5.2 billion, down 18 percent from \$6.4 billion in fourth quarter 2014. Organic growth in aerospace and acquisitions increased revenue 7 percent, which was more than offset by a 25 percent revenue decline from lower alumina and aluminum prices, the impact of divested, curtailed or closed facilities, and unfavorable currency.

"2015 was a pivotal year for Alcoa," said Klaus Kleinfeld, Alcoa Chairman and Chief Executive Officer. "We substantially strengthened our aerospace offerings through innovations and acquisitions and our customers responded favorably, awarding us \$9 billion in aerospace contracts; and we continued to ramp up our automotive business and shift the midstream to a higher-margin product mix. In the Upstream, we faced harsh headwinds with prices for alumina down 43 percent and aluminum down 28 percent. As a result of our closures, curtailments, productivity actions and new business structure we improved competitiveness and strengthened the portfolio. We are fully on track to launch two strong, standalone companies in the second half of 2016."

Turning to the current quarter, Kleinfeld continued, "Our solid fourth quarter results reflect our active portfolio management. Aerospace momentum accelerated with record sales and a \$4 billion string of major contract wins. In the midstream, adjusted EBITDA per metric ton grew 19 percent as our shift to higher value products like automotive paid off. A new \$650 million Value-Add business improvement program will further sharpen our profitability edge. In the Upstream, alumina prices dropped a further 24 percent and aluminum prices stayed stubbornly low. We took aggressive actions: closed and curtailed more unprofitable capacity, accelerated productivity and weathered the storm with Upstream remaining profitable. To further boost resilience we launched a \$600 million Upstream business improvement program. We ended the year in an excellent cash position, with all businesses delivering strong productivity."

2015 Full-Year Results

In 2015, Alcoa reported a net loss of \$121 million, or \$0.15 per share, compared to net income of \$268 million, or \$0.21 per share, in 2014. Excluding the impact of special items, the Company reported net income of \$787 million, or \$0.56 per share, in 2015, down from \$1.1 billion, or \$0.92 per share, in 2014. Strong productivity and favorable currency impacts were more than offset by lower metal prices and cost increases. Revenue in 2015 was \$22.5 billion, down 6 percent from \$23.9 billion in 2014.

In 2015, Alcoa delivered strong performance against its financial targets. The Company achieved \$1.2 billion in productivity savings, exceeding a \$900 million annual target; managed return-seeking capital of \$602 million against a \$750 million annual target; controlled sustaining capital expenditures of \$605 million against a \$725 million annual target; and attained a debt-to-adjusted EBITDA ratio of 2.80, slightly above the target range.

For full-year 2015, Alcoa's cash from operations totaled \$1.6 billion, resulting in \$402 million in positive free cash flow. In fourth quarter 2015, the Company's cash from operations was \$865 million, which drove \$467 million in positive free cash flow. Alcoa's debt totaled \$9.1 billion at the end of 2015, with cash on hand of \$1.9 billion, resulting in net debt of \$7.2 billion.

Separation Update

Alcoa's plan to separate into two publicly traded companies is expected to be completed in the second half of 2016. Alcoa has [announced executive management teams](#) for the future Value-Add and Upstream companies, both of which will be U.S. domiciled.

Alcoa is also undertaking business improvement programs across its portfolios: Value-Add will deliver \$650 million and the Upstream \$600 million, both in productivity and margin improvement, in 2016. This includes implementation of an overhead reduction program across the Company, of which \$100 million in benefits will be realized in 2016, and \$225 million over two years.

Alcoa is targeting a Form 10 filing with the U.S. Securities and Exchange Commission by mid-year, which will include financials and information regarding the form of the separation, legal and capital structure and allocation of assets and liabilities and governance structure, among other items. The separation will be completed subject to the Form 10 being declared effective, final approval from Alcoa's Board of Directors and completed financing.

Value-Add Business Highlights

After the separation, the innovation and technology-driven Value-Add Company will include Global Rolled Products, Engineered Products and Solutions and Transportation and Construction Solutions.

For full-year 2015, these combined business segments reported revenue of \$13.5 billion, after-tax operating income (ATOI) of \$1.0 billion and adjusted EBITDA of \$2.0 billion, up 5 percent over 2014. Other full-year highlights:

- Global Rolled Products realized a year-over-year, 15 percent increase in adjusted EBITDA per metric ton, reflecting a shift to a higher-margin product mix; automotive sheet shipments doubled from 2014.
- Engineered Products and Solutions revenue up 27 percent and adjusted EBITDA up 9 percent from 2014.

Alcoa secured approximately \$9 billion in aerospace contracts in 2015, more than double the amount in 2014, as recent aerospace growth investments delivered value. In the fourth quarter, the Company announced [long-term agreements with Boeing valued at over \\$2.5 billion](#). Alcoa will supply fastening systems for every Boeing platform and ready-to-install titanium seat track assemblies for the entire 787 Dreamliner family. The seat tracks, from raw material to finished part, will be made using titanium capabilities Alcoa gained through the RTI acquisition. Earlier today, the Company also announced a more than [\\$1.5 billion contract with GE Aviation](#). Alcoa will provide advanced nickel-based superalloy, titanium and aluminum jet engine components for a broad range of GE Aviation engine programs.

The Company opened its state-of-the-art jet engine parts facility in La Porte, Indiana in the fourth quarter. The facility enables Alcoa to manufacture nickel-based structural parts that are nearly 60 percent larger for the industry's best-selling jet engines for large commercial aircraft. In addition, Alcoa completed its jet engine expansion in Hampton, Virginia. This facility includes technology that cuts the weight of Alcoa's highest-volume jet engine blades by 20 percent and significantly improves aerodynamic performance.

In the automotive business, Alcoa's shipments of aluminum automotive sheet grew 18 percent and, by shifting the revenue mix to higher-margin products, EBITDA per metric ton increased 19 percent, both year-over-year. The Company's newly expanded Alcoa, Tennessee facility continued to ramp up automotive sheet shipments in the fourth quarter. The plant will provide aluminum sheet to automakers that include Ford, Fiat Chrysler Automobiles and General Motors.

Upstream Business Highlights

After the separation, the Upstream Company will comprise five strong business units that today make up Global Primary Products: Bauxite, Alumina, Aluminum, Cast Products and Energy. In full-year 2015, the combined Upstream businesses reported revenue of \$11.2 billion, ATOI of \$901 million and adjusted EBITDA of \$2.0 billion.

In the fourth quarter, Alcoa made significant progress executing its plan to strengthen its Upstream portfolio. As a result, the Company is on target to meet or exceed its 2016 goals of moving to the 38th percentile on the global aluminum cost curve and 21st percentile on the global alumina cost curve. During the fourth quarter, the Company:

- Entered into a three-and-a-half year agreement with New York State to increase the competitiveness of its Massena West smelter, improving its cost position and supporting growth projects for the casthouse;
- Announced plans to curtail smelting capacity at the Intalco and Wenatchee primary aluminum smelters in Washington State by the end of the first quarter 2016 and permanently close the Massena East, New York site; and
- Curtailed the remaining capacity at its Suralco refinery in Suriname, as previously announced, and announced that it will curtail refining capacity at its Point Comfort, Texas refinery.

Earlier this month, Alcoa also said it will:

- Permanently close the Warrick Operations smelter in Evansville, Indiana; and
- Reduce additional alumina production by one million metric tons across its refining system, including curtailing the remaining capacity at its Point Comfort refinery.

Alcoa's aggressive portfolio actions will remove approximately 25 percent operating smelting capacity and approximately 20 percent of operating refining capacity by mid-2016. Once all of the above actions are implemented, Alcoa globally will have 2.1 million metric tons of operating smelting capacity and 12.3 million metric tons of operating refining capacity remaining.

2016 End Market Projections

Alcoa projects another strong year for global aerospace sales. The Company expects 2016 global aerospace sales to increase 8 to 9 percent over 2015 on continued robust demand for large commercial aircraft and jet engines. In automotive, the Company forecasts global production growth of 1 to 4 percent, including 1 to 5 percent growth in North America driven by strong sales.

In the heavy duty truck and trailer market, Alcoa projects production of negative 3 to positive 1 percent globally. In North America, the heavy duty truck and trailer market is expected to decline 19 to 23 percent this year after a strong end for 2015, which was the fourth highest production year on record. In the packaging market, Alcoa forecasts global sales growth of 1 to 3 percent in 2016.

Alcoa expects the building and construction market to continue to improve in 2016, with global sales growth of 4 to 6 percent with the same growth range in North America.

In the industrial gas turbine market, the Company projects a 2 to 4 percent growth rate in 2016. The airfoil market continues to improve as original equipment manufacturers move to higher value-add products for new high efficiency turbines with advanced technology.

In 2016, Alcoa expects a global aluminum deficit of 1.2 million metric tons and a global alumina deficit of 2.8 million metric tons due to global curtailments. The Company also projects record global aluminum demand in 2016 of 60.5 million metric tons, up 6 percent over 2015. Global aluminum demand is expected to double between 2010 and 2020; so far this decade, global demand growth is tracking ahead of this projection.

Segment Information

Global Rolled Products

ATOI in the fourth quarter was \$52 million, flat as compared to the year-ago quarter. Strong productivity and automotive shipment growth of 18 percent were offset by cost increases, volume declines in aerospace from fewer spot opportunities and packaging, portfolio actions, and investments for ramping up growth projects, including the Tennessee automotive expansion and Micromill commercialization. As a result of this segment's ongoing transformation initiatives, including divestitures and upgrading the product mix, adjusted EBITDA per metric ton was \$312 in fourth quarter 2015, up 19 percent, or \$50, from \$262 in the year-ago quarter.

Engineered Products and Solutions

In the fourth quarter, this segment reported record revenue of \$1.41 billion, up 26 percent year-over-year; a 34 percent increase in aerospace sales; and ATOI of \$123 million, essentially flat year-over-year from \$124 million. The RTI acquisition contributed \$7 million of ATOI to the quarter, which is net of \$6 million of an unfavorable impact attributable to purchase accounting adjustments. Year-over-year, productivity improvements of \$54 million and positive contributions from the Firth Rixson and RTI acquisitions were largely offset by cost headwinds, investments in growth projects and unfavorable price/mix. Compared to 2014, 2015 revenue was \$5.3 billion, up 27 percent, ATOI was \$595 million, up 3 percent, and adjusted EBITDA was \$1.1 billion, up 9 percent.

Transportation and Construction Solutions

ATOI was \$40 million in the fourth quarter, up \$2 million, or 5 percent, year over year. The increase was mostly driven by productivity gains, partially offset by cost headwinds. This segment delivered a fourth quarter record adjusted EBITDA margin of 14.6 percent, compared to 12.6 percent in the year-ago quarter.

Alumina

In the face of a 24 percent alumina price decline, ATOI was \$98 million in the fourth quarter, down \$114 million sequentially from \$212 million and \$80 million lower year-over-year from \$178 million. Sequentially, cost reductions slightly offset the impact of lower pricing related to both the Alumina Price Index and London Metal Exchange-based contracts and unfavorable foreign currency movements. Adjusted EBITDA per metric ton decreased \$38 from third quarter 2015 to \$57 in fourth quarter 2015 and decreased \$28 year-over-year.

Primary Metals

ATOI in the fourth quarter was a negative \$40 million, a \$19 million sequential improvement from a negative \$59 million, and down \$307 million year-over-year from \$267 million. Sequentially, ATOI improved due to lower costs for alumina and energy and higher energy sales, partially offset by a lower average realized aluminum price, resulting from both lower London Metal Exchange aluminum pricing and regional premiums. Despite third-party realized pricing declining 5 percent in fourth quarter 2015 to \$1,799 per metric ton, cost improvements drove a \$26 increase in adjusted EBITDA per metric ton to \$30.

Alcoa will hold its quarterly conference call at 5:00 PM Eastern Time on January 11, 2016 to present quarterly results. The meeting will be webcast via alcoa.com. Call information and related details are available at www.alcoa.com under "Invest." Presentation materials will be available for viewing at www.alcoa.com.

About Alcoa

A global leader in lightweight metals technology, engineering and manufacturing, Alcoa innovates multi-material solutions that advance our world. Our technologies enhance transportation, from automotive and commercial transport to air and space travel, and improve industrial and consumer electronics products. We enable smart buildings, sustainable food and beverage packaging, high performance defense vehicles across air, land and sea, deeper oil and gas drilling and more efficient power generation. We pioneered the aluminum industry over 125 years ago, and today, our approximately 60,000 people in 30 countries deliver value-add products made of titanium, nickel and aluminum, and produce best-in-class bauxite, alumina and primary aluminum products. For more information, visit www.alcoa.com, follow @Alcoa on Twitter at www.twitter.com/Alcoa and follow us on Facebook at www.facebook.com/Alcoa.

Forward-Looking Statements

This release contains statements that relate to future events and expectations and as such constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those containing such words as "anticipates," "believes," "could," "estimates," "expects," "forecasts," "goal," "intends," "may," "outlook," "plans," "projects," "seeks," "sees," "should," "targets," "will," "would," or other words of similar meaning. All statements that reflect Alcoa's expectations, assumptions or

projections about the future, other than statements of historical fact, are forward-looking statements, including, without limitation, forecasts concerning global demand growth for aluminum, supply/demand balances, and growth of the aerospace, automotive, and other end markets; statements regarding targeted financial results or operating performance; statements about Alcoa's strategies, outlook, business and financial prospects, and Alcoa's portfolio transformation; and statements regarding the separation transaction, including the future performance of Value-Add Company and Upstream Company if the separation is completed, the expected benefits of the separation, the expected timing of the Form 10 filing and the completion of the separation, and the expected qualification of the separation as a tax-free transaction. Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and changes in circumstances that are difficult to predict. Although Alcoa believes that the expectations reflected in any forward-looking statements are based on reasonable assumptions, it can give no assurance that these expectations will be attained and it is possible that actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks and uncertainties. Such risks and uncertainties include, but are not limited to: (a) uncertainties as to the timing of the separation and whether it will be completed; (b) the possibility that various closing conditions for the separation may not be satisfied; (c) failure of the separation to qualify for the expected tax treatment; (d) the possibility that any third-party consents required in connection with the separation will not be received; (e) the impact of the separation on the businesses of Alcoa; (f) the risk that the businesses will not be separated successfully or such separation may be more difficult, time-consuming or costly than expected, which could result in additional demands on Alcoa's resources, systems, procedures and controls, disruption of its ongoing business and diversion of management's attention from other business concerns; (g) material adverse changes in aluminum industry conditions; (h) deterioration in global economic and financial market conditions generally; (i) unfavorable changes in the markets served by Alcoa; (j) the impact of changes in foreign currency exchange rates on costs and results; (k) increases in energy costs; (l) the inability to achieve the level of revenue growth, cash generation, cost savings, improvement in profitability and margins, fiscal discipline, or strengthening of competitiveness and operations (including executing on the Upstream business improvement plan, moving the Upstream alumina and aluminum businesses down on the industry cost curves, and increasing revenues and improving margins in the Value-Add businesses) anticipated from restructuring programs and productivity improvement, cash sustainability, technology advancements (including, without limitation, advanced aluminum alloys, Alcoa Micromill, and other materials and processes), and other initiatives; (m) Alcoa's inability to realize expected benefits, in each case as planned and by targeted completion dates, from acquisitions, divestitures, facility closures, curtailments, or expansions, or international joint ventures; (n) political, economic, and regulatory risks in the countries in which Alcoa operates or sells products; (o) the outcome of contingencies, including legal proceedings, government or regulatory investigations, and environmental remediation; (p) the impact of cyber attacks and potential information technology or data security breaches; (q) the potential failure to retain key employees while the separation transaction is pending or after it is completed; (r) the risk that increased debt levels, deterioration in debt protection metrics, contraction in liquidity, or other factors could adversely affect the targeted credit ratings for Value-Add Company or Upstream Company; and (s) the other risk factors discussed in Alcoa's Form 10-K for the year ended December 31, 2014, and other reports filed with the U.S. Securities and Exchange Commission (SEC). Alcoa disclaims any obligation to update publicly any forward-looking statements, whether in response to new information, future events or otherwise, except as required by

applicable law. Market projections are subject to the risks discussed above and other risks in the market.

Non-GAAP Financial Measures

Some of the information included in this release is derived from Alcoa's consolidated financial information but is not presented in Alcoa's financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Certain of these data are considered "non-GAAP financial measures" under SEC rules. These non-GAAP financial measures supplement our GAAP disclosures and should not be considered an alternative to the GAAP measure. Reconciliations to the most directly comparable GAAP financial measures and management's rationale for the use of the non-GAAP financial measures can be found in the schedules to this release and on our website at www.alcoa.com under the "Invest" section. Alcoa has not provided a reconciliation of any forward-looking non-GAAP financial measures to the most directly comparable GAAP financial measures, due primarily to variability and difficulty in making accurate forecasts and projections, as not all of the information necessary for a quantitative reconciliation is available to the Company without unreasonable effort.

Alumina Limited

- **Alcoa Inc's 4Q 2015 alumina business segment highlights**
- **Market data on commodity prices and foreign exchange rates**

12 January 2016

Summary Information

This Presentation contains summary information about the current activities of Alumina Limited (ACN 004 820 419) (**Alumina**) and its subsidiaries as at the date of this Presentation. The information in this Presentation should not be considered to be comprehensive nor to comprise all the information that a reader may require in order to make an investment decision regarding Alumina securities. This Presentation should be read in conjunction with Alumina's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au.

No Offer, Recommendation or Advice

This Presentation is for information purposes only and is not a prospectus, product disclosure statement or other disclosure or offering document under Australian or any other law. It does not constitute an offer, invitation or recommendation to acquire Alumina securities in any jurisdiction and neither this Presentation nor anything contained in it will form the basis of any contract or commitment.

The information contained in this Presentation is not financial product advice, or any other advice, and has been prepared without taking into account any reader's investment objectives, financial circumstances or particular needs.

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 Presentation 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 Presentation are not guarantees of future performance. Such forward-looking statements involve known and unknown risks (including the key risks referred to below), 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. 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.

Key Risks

Certain key risks that may affect Alumina, its financial and operating performance and the accuracy of any forward-looking statements contained in this Presentation 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.

Past Performance

Past performance information contained in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Financial Data

All dollar values in this Presentation are in United States dollars (US\$) unless otherwise stated.

Certain financial data included in this Presentation is "non-IFRS financial information" under Australian Securities and Investments Commission Regulatory Guide 230: "Disclosing non-IFRS financial information". Alumina believes the non-IFRS financial information provides useful information to users in comparing prior periods and in assessing the financial performance and condition of Alumina. The non-IFRS financial information does not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should the information be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Readers are cautioned, therefore, not to place undue reliance on any non-IFRS financial information contained in this Presentation. Where non-IFRS financial measures are contained in this Presentation, the definition of the relevant measure, its calculation method and/or a reconciliation to IFRS financial information is provided in this Presentation as appropriate or can be found in Alumina's ASX Preliminary Final Report (Appendix 4E).

No Liability

The information contained in this Presentation has been prepared in good faith and with due care but no representation or warranty, express or implied, is provided as to the currency, accuracy, reliability or completeness of that information.

To the maximum extent permitted by law, Alumina and its directors, officers, employees and agents, and any other person involved in the preparation of this Presentation, exclude and disclaim all liability for any expenses, losses or costs incurred by any person arising out of or in connection with the information contained in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

Alcoa Inc's alumina business segment highlights

Description	4Q 2015	3Q 2015	Selected Highlights
ATOI (after-tax operating income)	\$98m	\$212m	<ul style="list-style-type: none"> Does not include restructuring charges Benefits from cost control, volume increases, energy savings and productivity improvements offset by lower pricing and unfavourable currency
Adjusted EBITDA/Production	\$57 / tonne	\$95 / tonne	<ul style="list-style-type: none"> Australian refinery gains partially offset Suriname curtailment

1Q 2016 Outlook	4Q 2015 Special Items	3Q 2015 Special Items
Further pre-tax US GAAP charge to AWAC of approximately \$19m expected in 1H16 as a result of refinery curtailments, all of which is cash.	Full curtailment of Point Comfort refinery announced. Expected to be completed by 2Q16	Curtailment of the remaining operating capacity at the Suralco refinery announced
	Pre-tax US GAAP charge to AWAC of approximately \$90m expected as a result of refinery curtailments, of which 45% is cash.	

Important Notes:

- Numerical information above is sourced from, and should be read in conjunction with, Alcoa Inc's quarterly earnings releases and presentations and relates to the Alcoa Inc alumina business segment. For reporting purposes the Alcoa Inc alumina business segment includes the mining business unit.
- The Alcoa Inc alumina business segment includes mining and refining operations at Pocos de Caldes and an additional 15% interest in the Sao Luis refinery which are not part of AWAC. AWAC accounted for 3.7 mt of the 3.9 mt of alumina produced by the Alcoa Inc alumina business segment in 4Q 2015. AWAC's interest in the Portland and Point Henry smelters is included in the Alcoa Inc primary metals business segment.
- Adjusted EBITDA is a non-GAAP financial measure derived from Alcoa's consolidated financial information. Alcoa Inc's financial statements are prepared in accordance with US GAAP. The definition of Adjusted EBITDA and reconciliations to the most directly comparable GAAP financial measure can be found in the schedules to Alcoa Inc's earnings release.

Sources: Alcoa Inc 3Q & 4Q 2015 Results Announcements and 3Q & 4Q 2015 Earnings Conference presentations

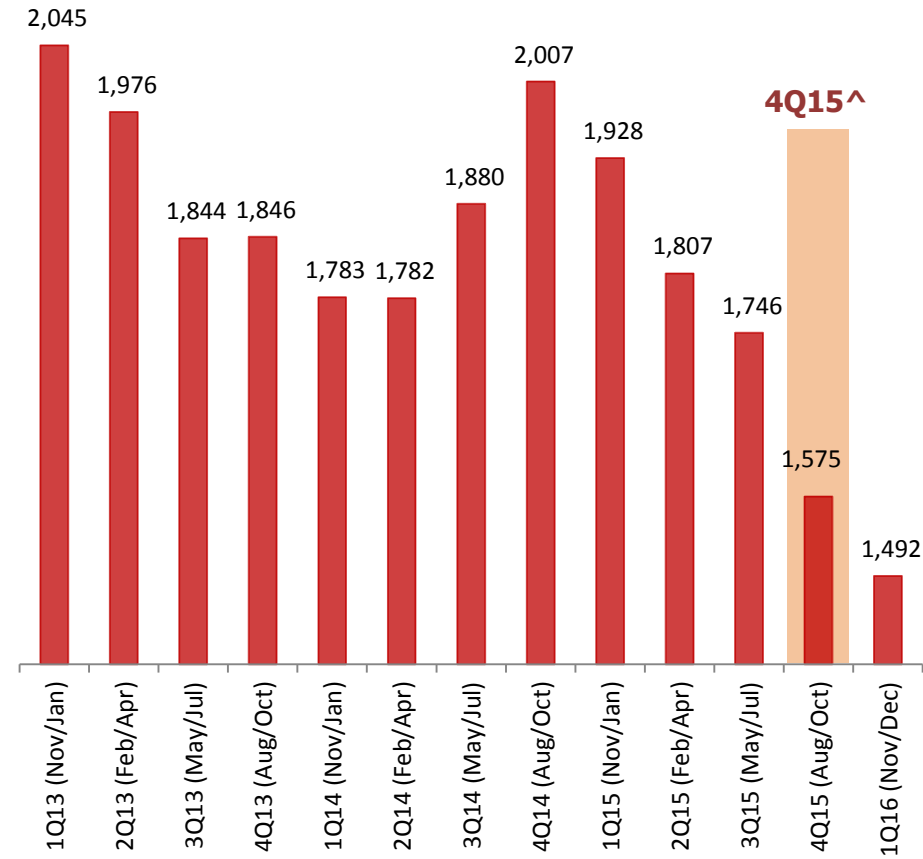
Commodity and FX prices in this slide pack are based on published market prices and may not equate to actual pricing under AWAC contracts

LME aluminium prices (3-month)

Daily (US\$/t)



Quarter average (lagged, US\$/t)



^ Indicative pricing relevant to 4Q15 alumina sales due to 2-month lag

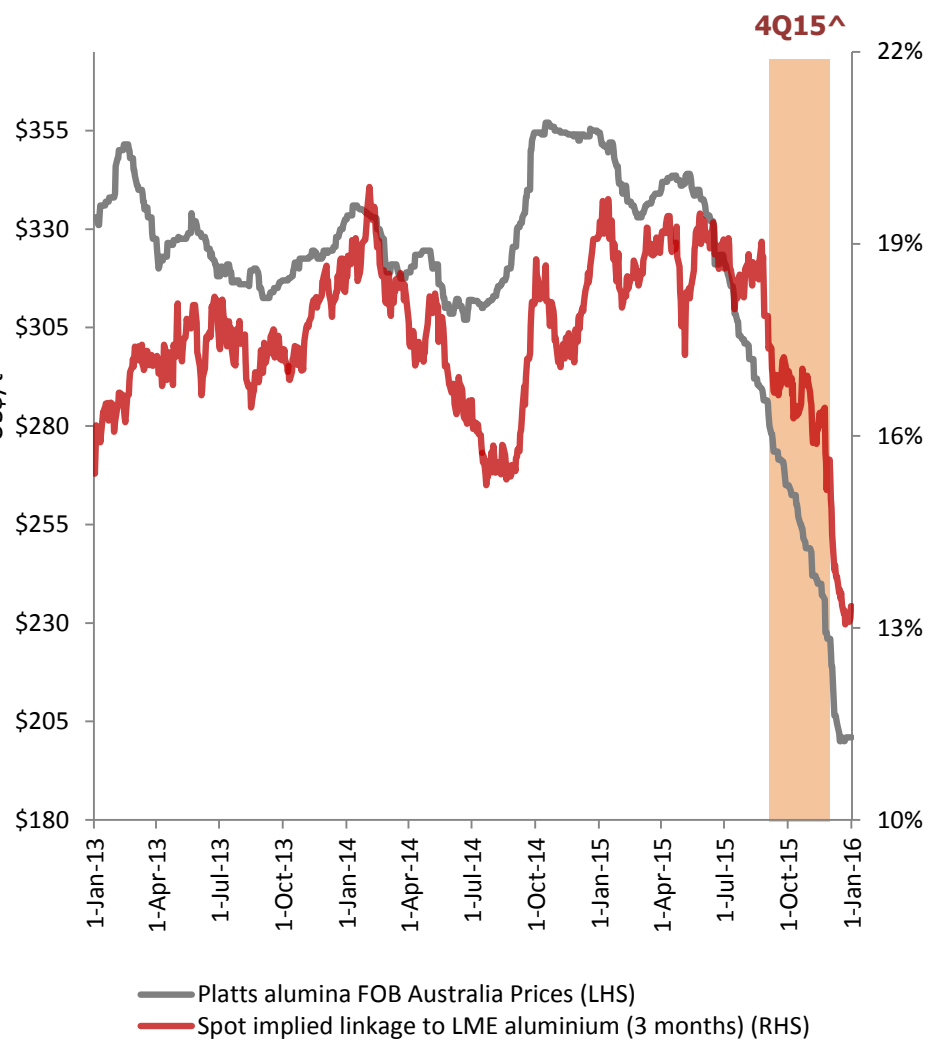
Sources: Thomson Reuters, January 2016

Commodity and FX prices in this slide pack are based on published market prices and may not equate to actual pricing under AWAC contracts

LME aluminium, spot alumina & implied linkage



Relative Movement of LME aluminium and Platts alumina (Index basis)



^ Indicative pricing relevant to 4Q15 alumina sales due to 1-month lag

Sources: Alumina: Platts, January 2016 LME Aluminium: Thomson Reuters, January 2016

Commodity and FX prices in this slide pack are based on published market prices and may not equate to actual pricing under AWAC contracts

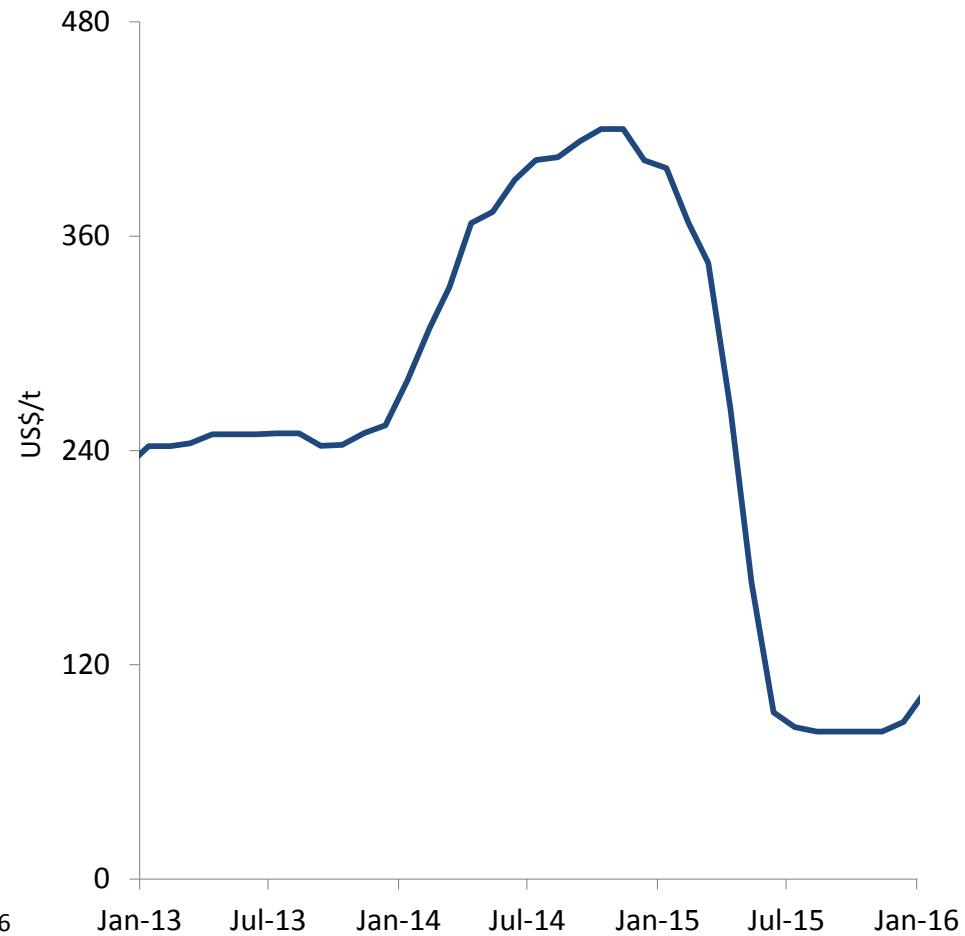
LME aluminium (spot) and regional premiums

LME aluminium spot



^ Indicative pricing relevant to 4Q15 sales due to lag

Aluminium Japan regional premium*

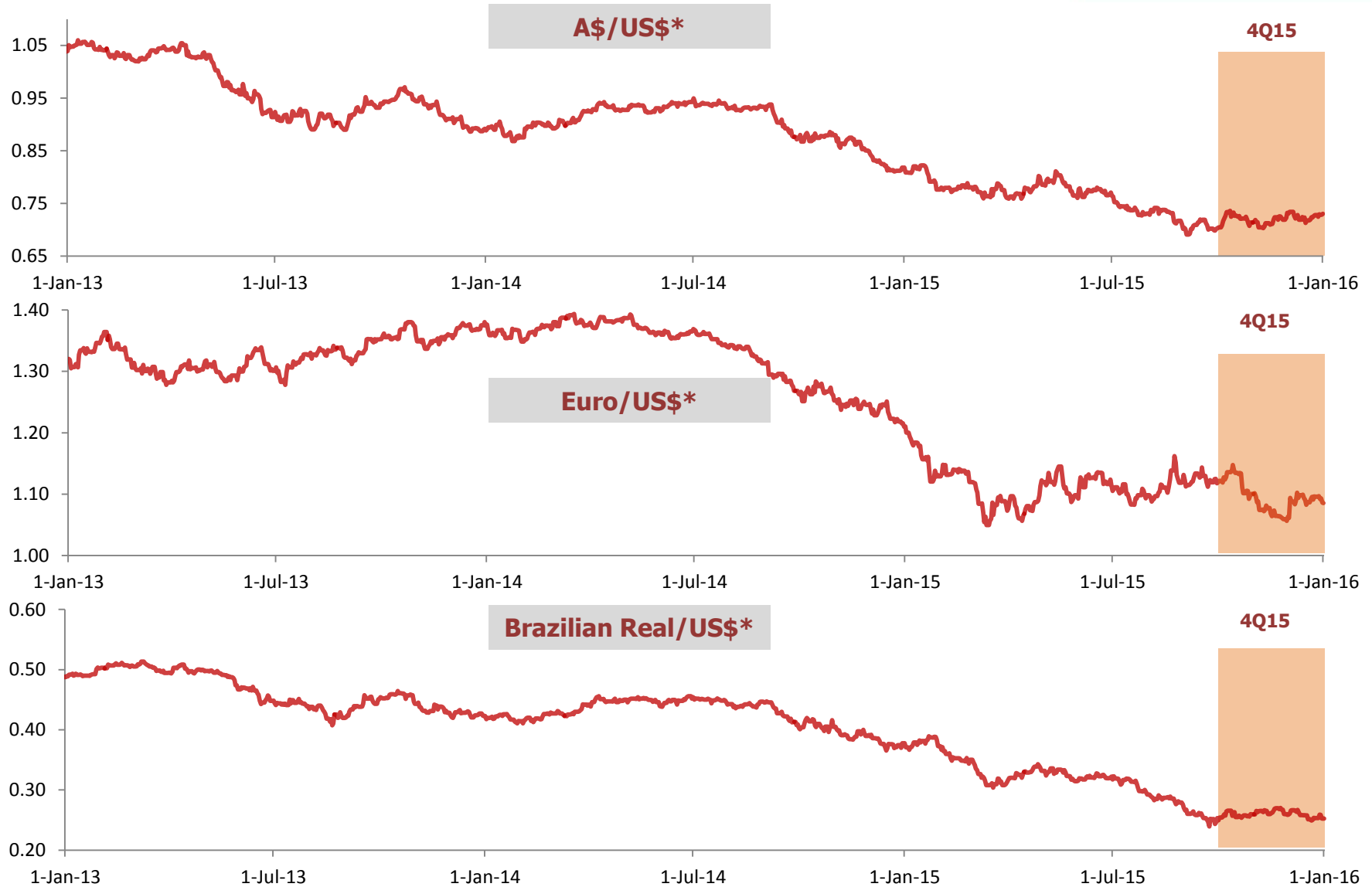


* Japan Aluminium Spot Premium (monthly data) – Ingot, CIF, Western.

Sources: Thomson Reuters, January 2016 (LHS) & Harbor Aluminium January 2016(RHS).

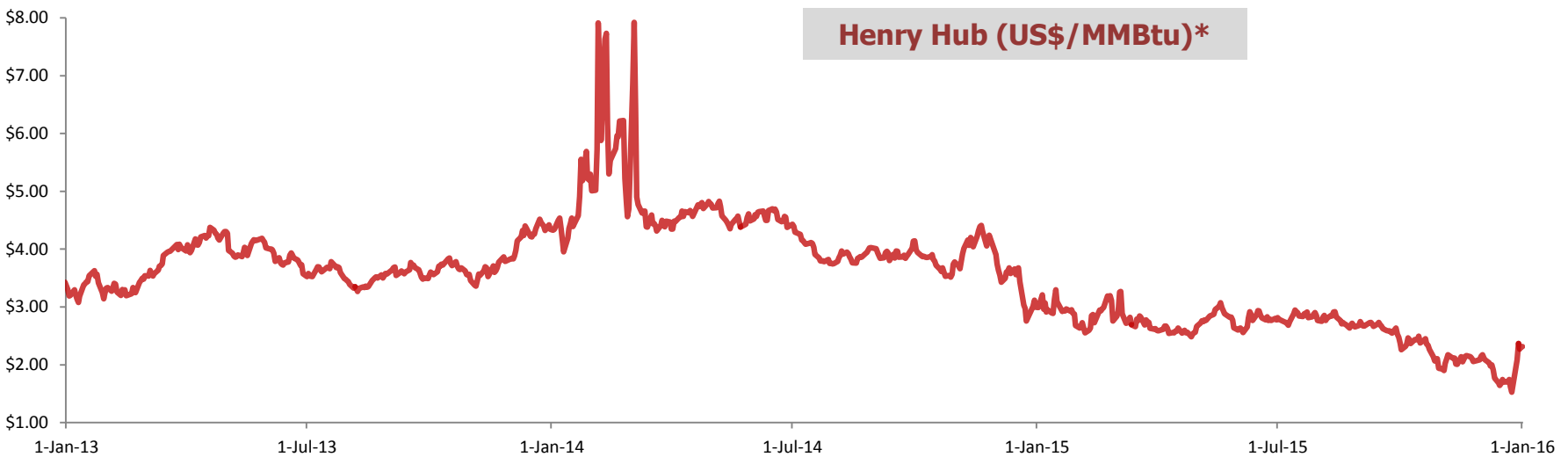
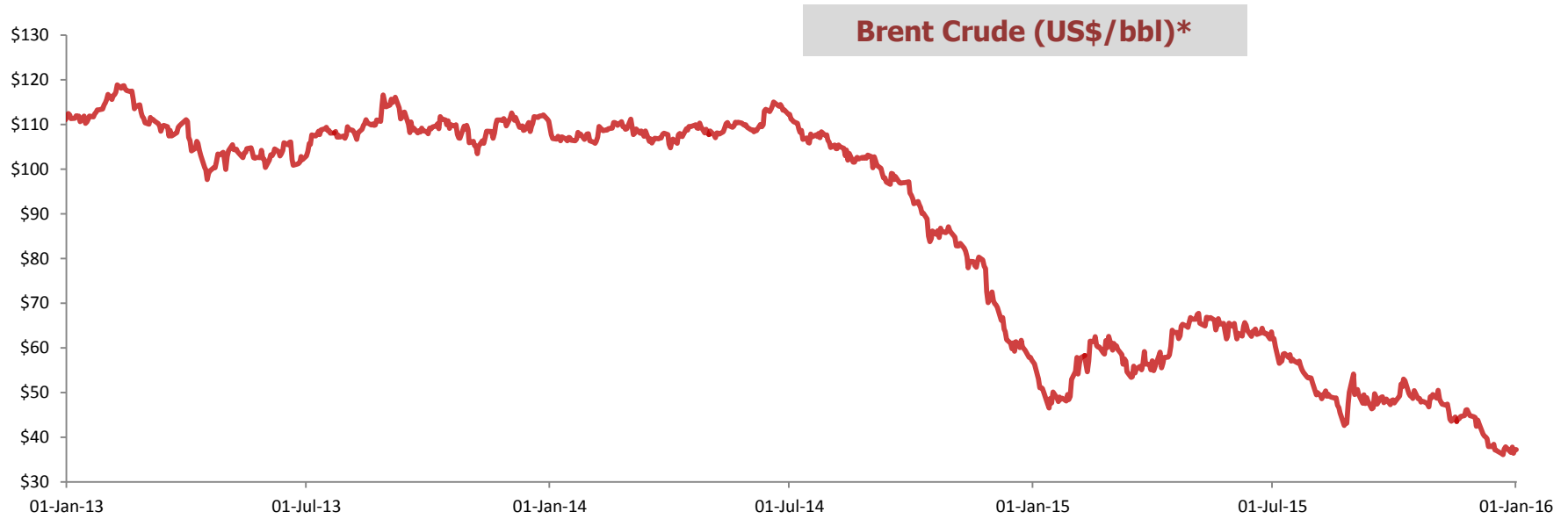
Commodity and FX prices in this slide pack are based on published market prices and may not equate to actual pricing under AWAC contracts

Foreign Exchange



*Sources: Thomson Reuters, January 2016

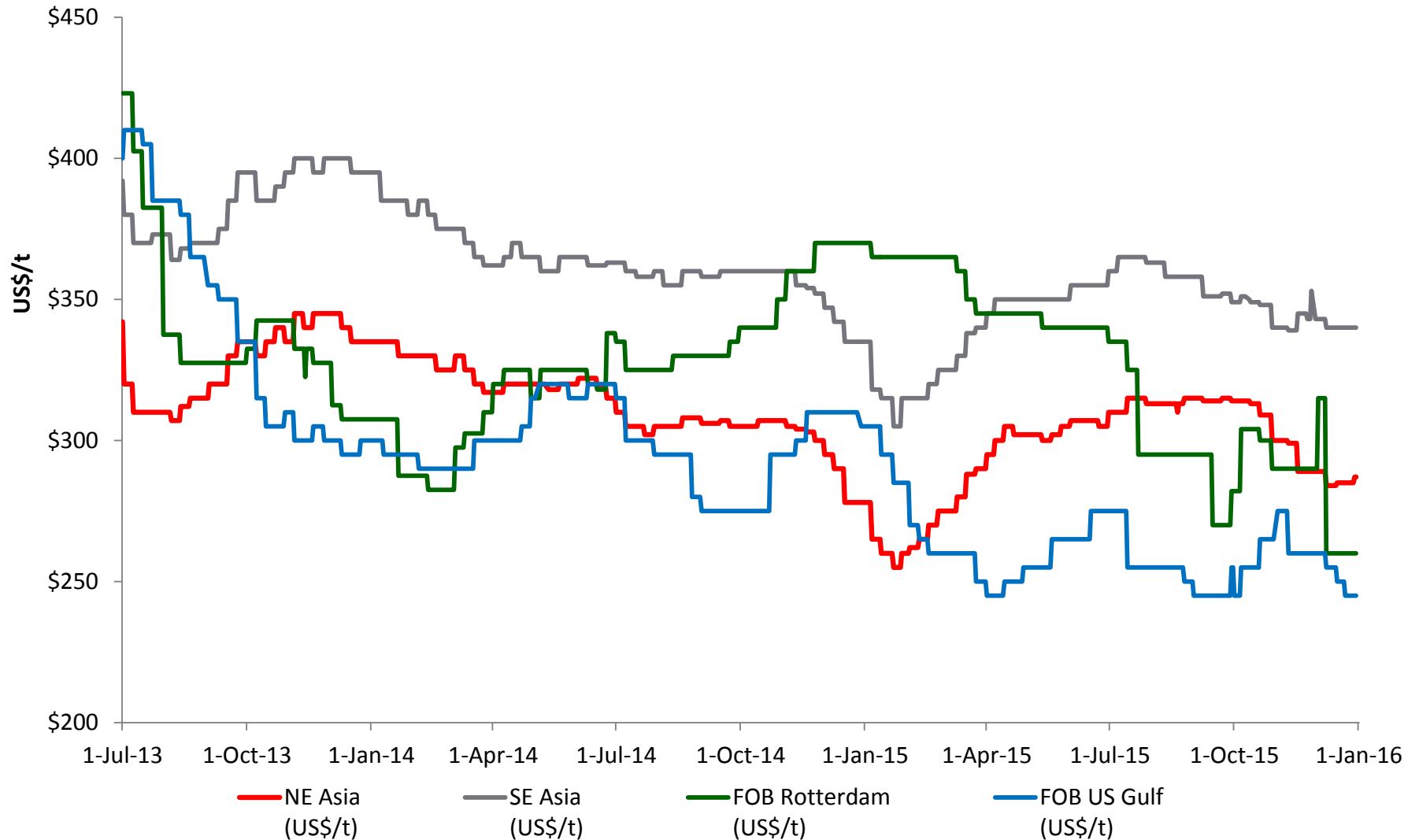
Commodity and FX prices in this slide pack are based on published market prices and may not equate to actual pricing under AWAC contracts



* Sources: Thomson Reuters, January 2016

Commodity and FX prices in this slide pack are based on published market prices and may not equate to actual pricing under AWAC contracts

Caustic Soda



Source: Platts, January 2016

Commodity and FX prices in this slide pack are based on published market prices and may not equate to actual pricing under AWAC contracts