

ASX Announcement

12 July 2016

Alcoa Second Quarter Earnings Release

Alumina Limited (ASX: AWC) notes Alcoa's quarterly earnings release and attaches it for reference. To assist readers in understanding relevant market, operational and commercial matters of the AWAC joint venture, selected information from the Alcoa alumina segment results and other market data are also attached.

Alumina Limited's CEO, Peter Wasow, commented, "Second quarter margins benefitted from higher API prices and further productivity gains as well as the closure of higher cost capacity. A further \$60 million of third party bauxite sales were completed during the quarter in line with the growing importance of the mining segment. These factors resulted in continuing strong cash distributions from the AWAC business."

AWAC's production of alumina was unchanged from the previous quarter at 3.2 million tonnes reflecting the impact of announced curtailments offset by higher production at Sao Luis, Kwinana and San Ciprian.

Alumina Limited received \$34.3 million of dividends, distributions and capital returns from AWAC in the quarter (making \$83.7 million for the first half). The Company made no capital contributions to AWAC in the same period.

Alumina Limited's net debt was approximately \$80 million at the end of June 2016.

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. All figures displayed are in US dollars unless otherwise shown.

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.

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Stephen Foster
Company Secretary

12 July 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

Alumina Limited

- **Alcoa Inc's 2Q 2016 alumina business segment highlights**
- **Market data on commodity prices and foreign exchange rates**

12 July 2016

Disclaimer



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.

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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.

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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 2015.

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).

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Alcoa Inc's alumina business segment highlights



Description	2Q 2016	1Q 2016	Selected Highlights
ATOI (after-tax operating income) as defined on page 21 of Alcoa's first quarter 10-Q	\$109m	\$8m	<ul style="list-style-type: none"> Increase in ATOI mainly due to API increase of 22% sequentially ATOI includes 3rd party bauxite sales, which increased sequentially Excludes \$27m profit on sale of Bunbury to Dampier pipeline
Adjusted EBITDA/Production	\$65 / tonne	\$27 / tonne	<ul style="list-style-type: none"> Lower energy and raw material costs, combined with productivity gains more than offset unfavorable currency Margin includes bauxite sales

3Q 2016 Outlook	2Q 2016 Special Items	1Q 2016 Special Items
Production to be up 20KMT sequentially despite full curtailment of Point Comfort	Final instalment of WA gas prepayment made (\$200m)	No significant special items during 1Q 2016. Dampier to Bunbury pipeline sale was recorded in 2Q 2016.
85% of 3 rd party shipments on API or spot pricing for 2016	Point Comfort production fully curtailed during 2Q 2016	
	First WA bauxite trial cargo shipped to China	

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 3.2 mt of the 3.3 mt of alumina produced by the Alcoa Inc alumina business segment in 2Q 2016. 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.

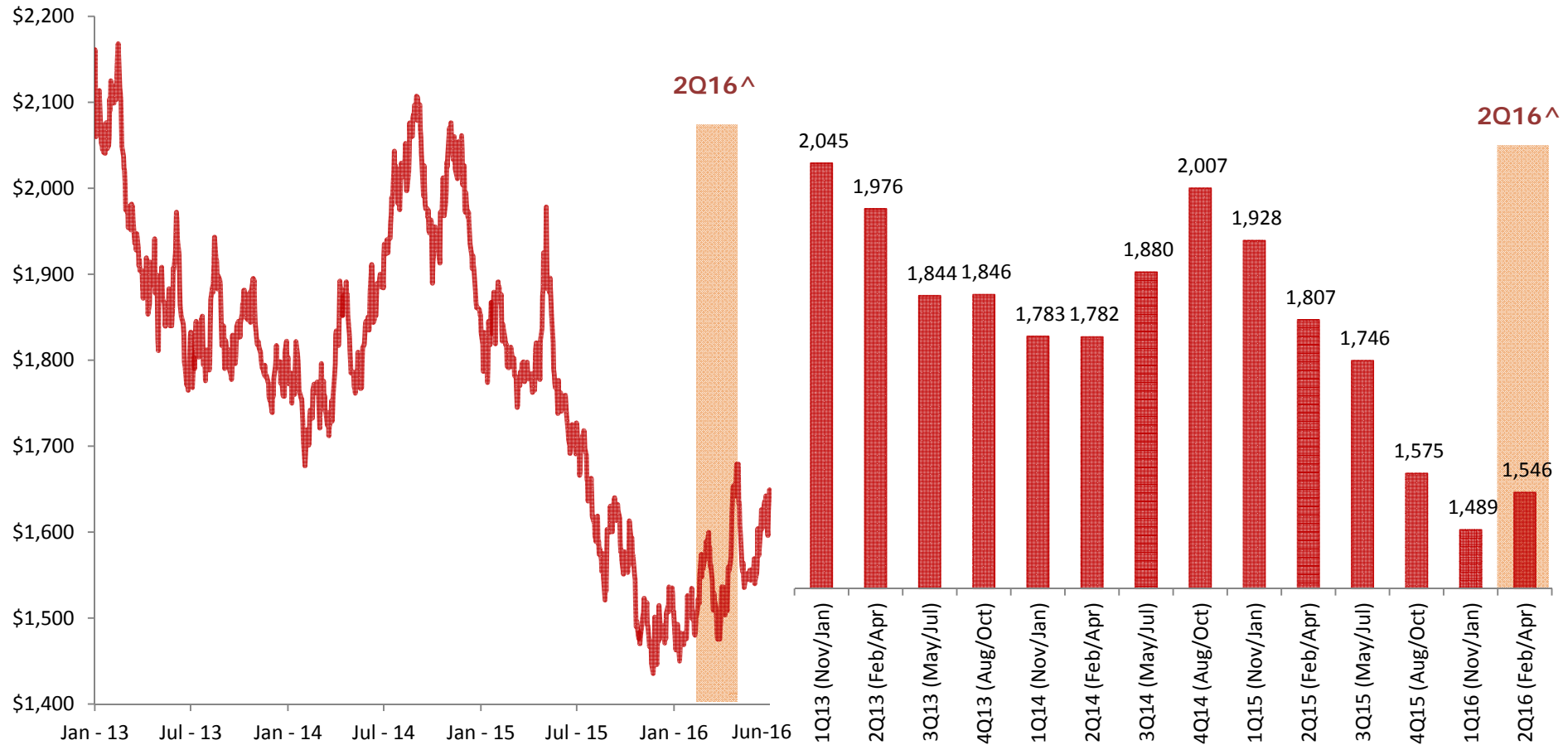
Sources: Alcoa Inc 1Q & 2Q 2016 Results Announcements and 1Q & 2Q 2016 Earnings Conference presentations

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)



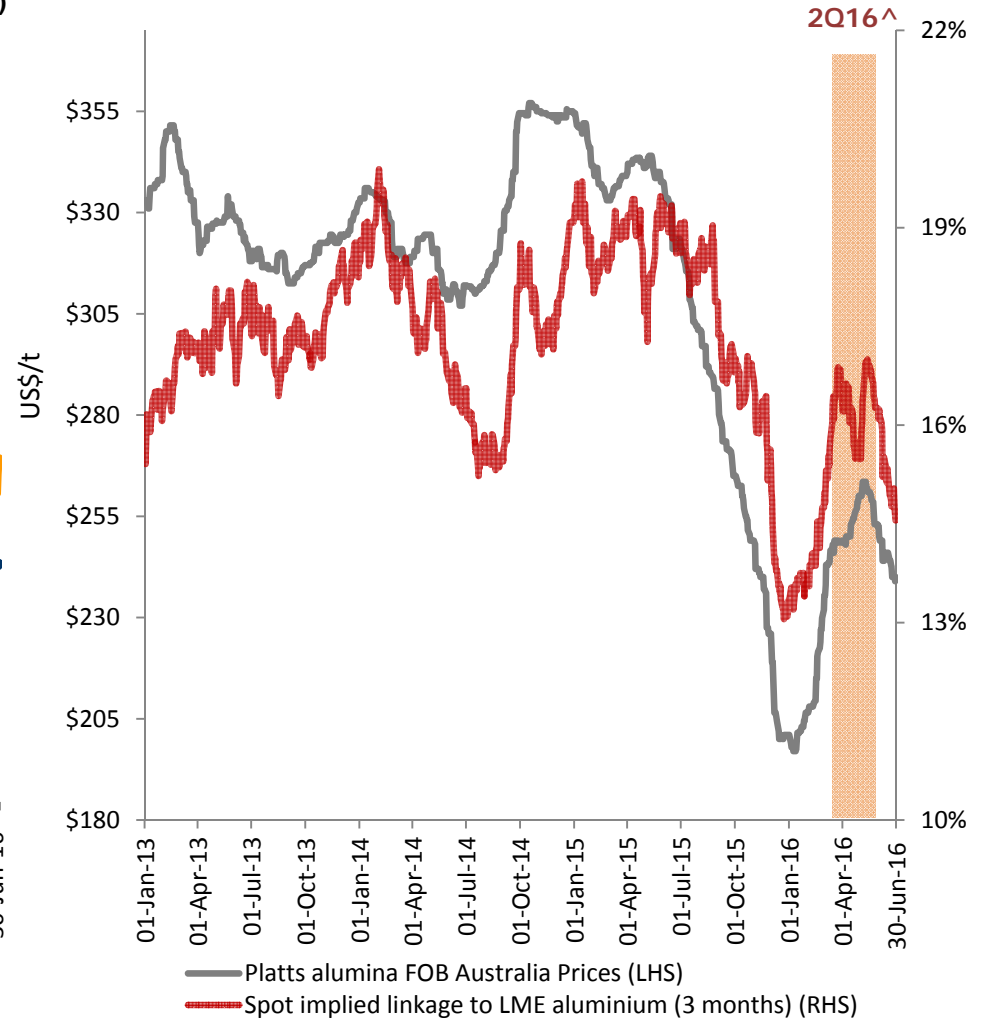
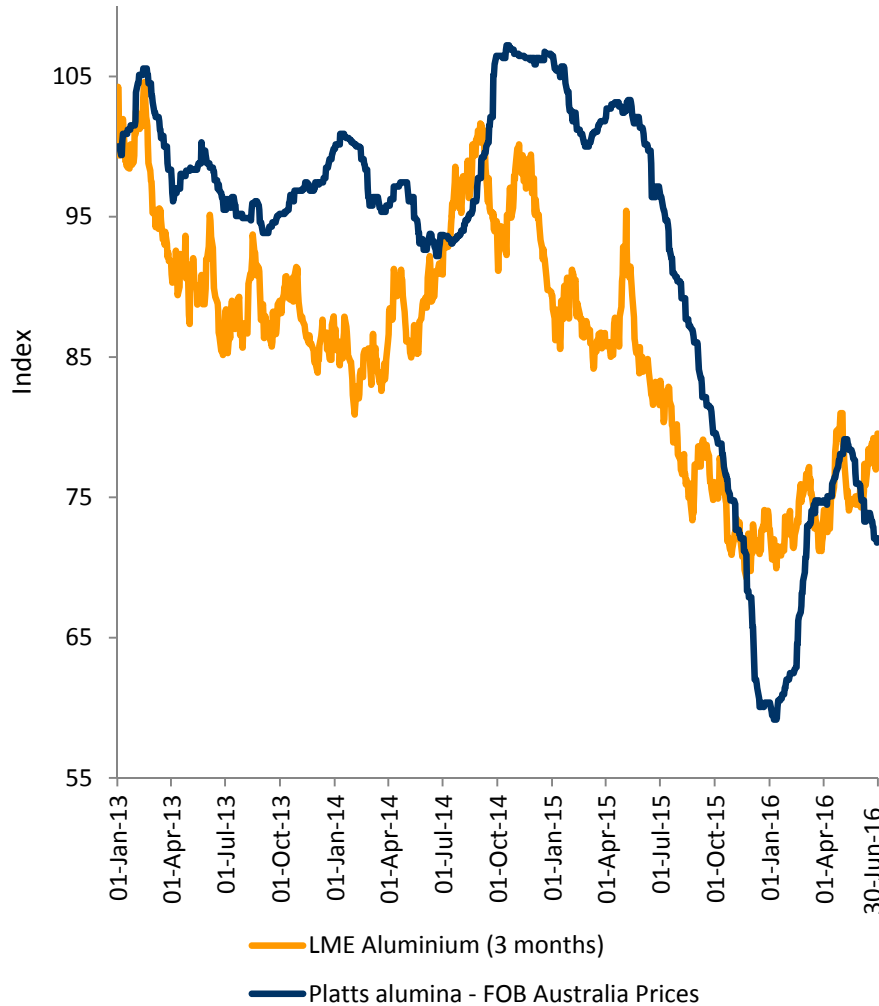
^ Indicative pricing relevant to 2Q16 alumina sales due to 2-month lag

Sources: Thomson Reuters, July 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)

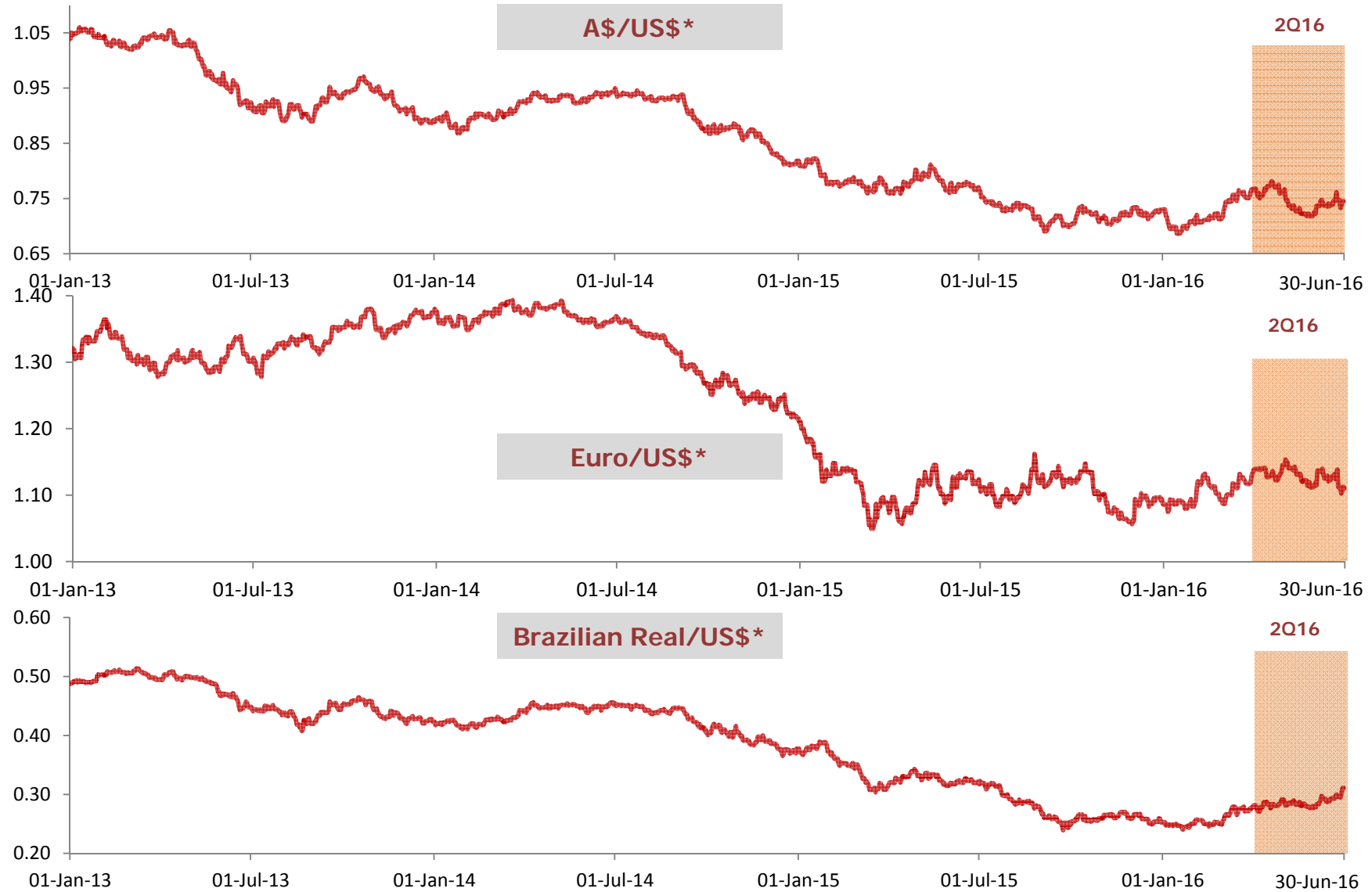


^ Indicative pricing relevant to 2Q16 alumina sales due to 1-month lag

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

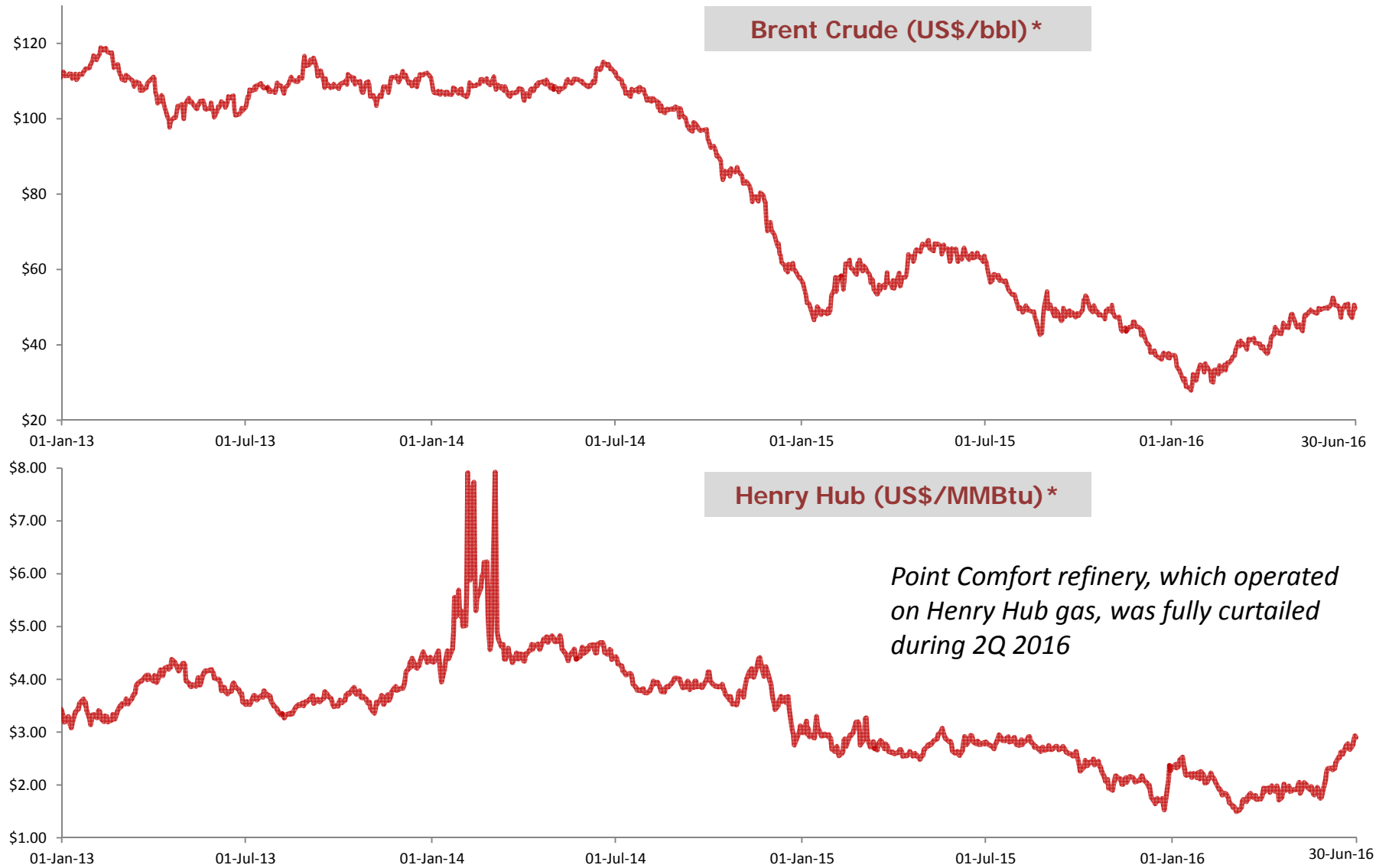
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Foreign Exchange



*Sources: Thomson Reuters, July 2016

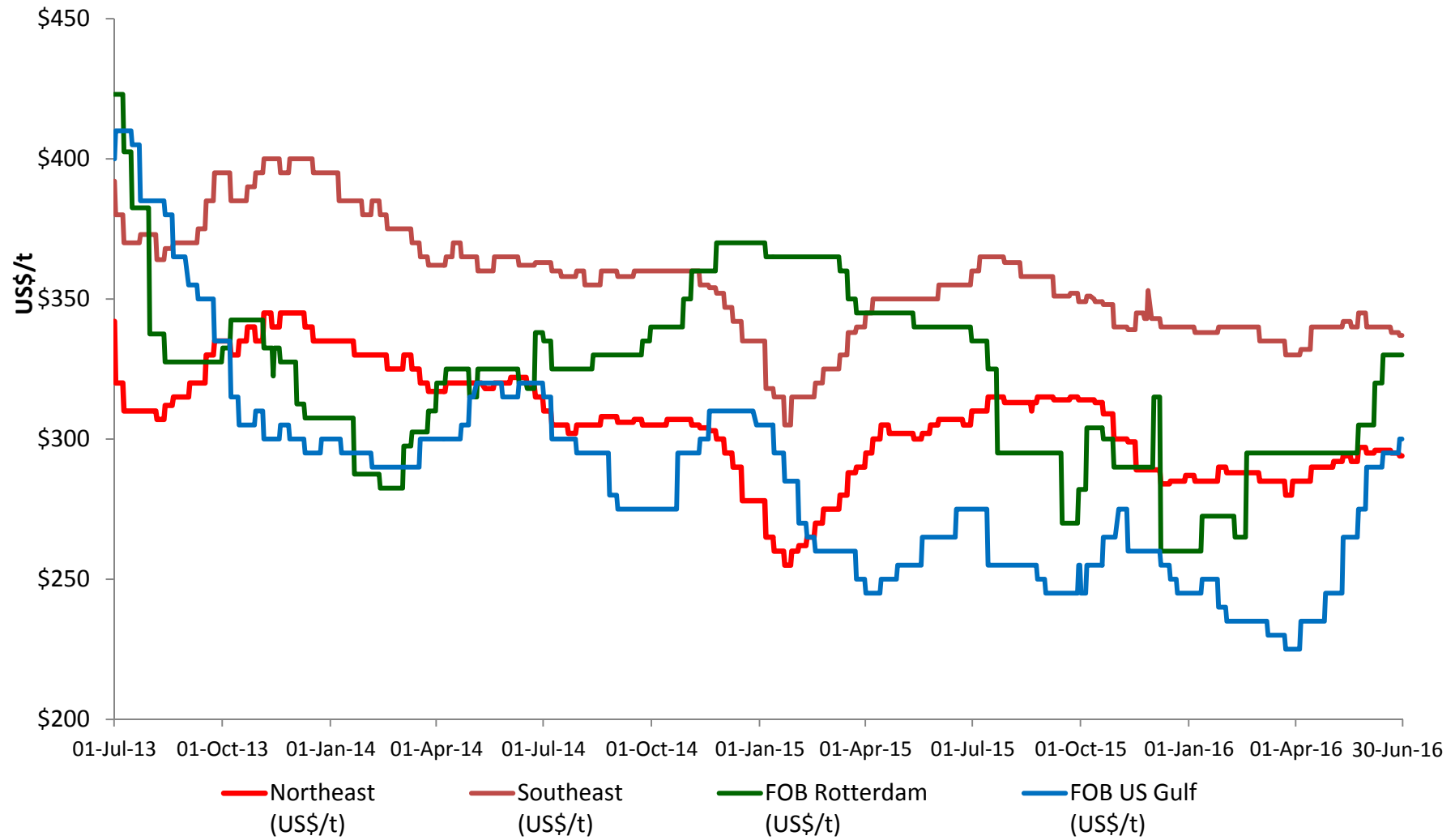
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* Sources: Thomson Reuters, July 2016

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, July 2016

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