

To: The Manager  
Announcements  
Company Announcements Office  
Australian Stock Exchange



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### **Public Announcement 2008 – 41AWC**

Attached is an announcement regarding Alumina's accelerated, pro rata entitlement offer.

A handwritten signature in black ink, appearing to read "Stephen Foster".

**Stephen Foster**  
**Company Secretary**

1 September 2008

Alumina Limited

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## **Strong Support for Alumina's Institutional Entitlement Offer and Institutional Bookbuild**

Alumina Limited ("Alumina") has successfully completed the institutional component of its accelerated pro-rata entitlement offer, which is fully underwritten by Goldman Sachs JBWere Pty Ltd, Macquarie Capital Advisers Limited and UBS AG, Australia Branch. The Institutional Entitlement Offer received strong support from Alumina's existing institutional shareholders, with approximately 92% of entitlements of eligible institutional shareholders taken up under the Institutional Entitlement Offer.

As a result of a high proportion of ineligible US based institutional shareholders, approximately 76 million shares were available for the Institutional Bookbuild. The Institutional Bookbuild was very well supported by a significant number of existing institutional investors. The clearing price for these shares was \$3.70 per share, \$0.70 above the \$3.00 offer price under the Entitlement Offer. Accordingly, institutional shareholders who elected not to take up their entitlements in full, and ineligible institutional shareholders who were not entitled to take up new shares, will receive \$0.70 for each entitlement or new share not taken up. The Institutional Entitlement Offer and Institutional Bookbuild will raise approximately \$644 million for Alumina at the offer price of \$3.00 per new share.

Alumina's Chief Executive Officer, John Bevan, commented, "We are extremely pleased with the result. The take up by eligible institutional shareholders was very strong and demonstrates their support for our continued investment at a time of unprecedented global demand for aluminium and alumina".

Settlement of the Institutional Entitlement Offer and Institutional Bookbuild is expected to occur on Tuesday, 9 September 2008. New shares under the Institutional Entitlement Offer and Institutional Bookbuild are expected to be issued on Wednesday, 10 September 2008 and commence trading on ASX on the same day (on an ex-dividend basis initially under code AWCN).

## **Commencement of the Retail Entitlement Offer**

The remaining proceeds of the Entitlement Offer, being approximately \$266 million, will be raised through the Retail Entitlement Offer and Retail Bookbuild.

The Retail Entitlement Offer opens today Monday, 1 September 2008, following the lodgement of the Prospectus with the Australian Securities and Investments Commission. The Retail Entitlement Offer is open to eligible retail shareholders in Australia and New Zealand who were on Alumina's share register as at the record date of 7.00pm (AEST) on Friday, 29 August 2008.

Eligible retail shareholders are able to subscribe for 5 new Alumina shares for every 19 existing Alumina shares held as at the record date, at the offer price of \$3.00 per new share, which is the same as the offer price for the Institutional Entitlement Offer. The Retail Entitlement Offer is fully underwritten.

Eligible retail shareholders may choose to take up their entitlements in whole, in part or not at all. New Alumina shares equal in number to those attributable to entitlements not taken up by eligible retail shareholders, together with new Alumina shares attributable to those entitlements which would otherwise have been offered to ineligible retail shareholders if they had been eligible to participate in the Retail Entitlement Offer, will be offered for subscription to selected

institutional investors through a Retail Bookbuild process that is scheduled to close on Friday, 26 September 2008. Eligible Retail shareholders who do not take up their entitlements and ineligible retail shareholders will receive the positive difference, if any, between the Retail Bookbuild clearing price and the offer price for new shares of \$3.00 per share, on a pro-rata basis.

A copy of the Prospectus and a personalised Entitlement and Acceptance Form will be mailed to eligible retail shareholders by Thursday, 4 September 2008. The Retail Entitlement Offer closes on Friday, 19 September 2008 at 5.00pm (AEST). Offers of new Alumina shares under the Retail Entitlement Offer to eligible retail shareholders will be made in, or accompanied by, a copy of the Prospectus. In deciding whether to take up the offer of new Alumina shares, eligible retail shareholders should read the Prospectus carefully (including assessing the risk factors outlined in Section 5). Any eligible retail shareholder who wishes to acquire new Alumina shares under the Retail Entitlement Offer will need to complete, or otherwise apply in accordance with, the personalised Entitlement and Acceptance Form that will accompany the Prospectus.

Eligible retail shareholders who have any queries or who do not receive a Prospectus by Wednesday 10 September 2008 are encouraged to contact the Alumina Limited Shareholder Information Line on 1300 556 050 from within Australia or on +61 3 9415 4027 from elsewhere, between 8.30am and 7.00pm (AEST) Monday to Friday until the close of the Retail Entitlement Offer. Copies of the Prospectus will be also available for download by eligible retail shareholders at the Alumina website [www.aluminalimited.com](http://www.aluminalimited.com).

Alumina shares will resume trading on ASX today, Monday 1 September 2008.

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**Important information**

*Some statements in this release are forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. Forward-looking statements also include those containing such words as “anticipate”, “estimates”, “should”, “will”, “expects”, “plans” or similar expressions. Forward-looking statements involve risks and uncertainties that may cause actual outcomes to be different from the forward-looking statements. Important factors that could cause actual results to differ from the forward-looking statements include: (a) material adverse changes in global economic, alumina or aluminium industry conditions and the markets served by AWAC; (b) changes in production and development costs and production levels or to sales agreements; (c) changes in laws or regulations or policies; (d) changes in alumina and aluminium prices and currency exchange rates; (e) constraints on the availability of bauxite; and (f) the other risk factors summarised in Alumina’s Form 20-F for the year ended 31 December 2007. Statements (including forward-looking statements) that reference past trends or activities should not be taken as a representation that such trends or activities will necessarily continue in the future. Alumina Limited does not undertake any obligations to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements which speak only as of the date of the relevant document.*