Alumina Limited 2013 Full Year Result

Alumina Limited's Financial Performance Improved and Balance Sheet Strengthened

- Net profit after Tax of $0.5 million, compared to loss of $55.6 million in 2012
- Net profit after tax includes net charges for the Alba legal matter[1] of $16.5 million
- Net debt down $529 million to $135 million and gearing reduced to 4.6%[2]
- No final dividend declared

AWAC Records Increased Margins, Reduced Costs and Positive Cash Flow

- EBITDA up $280 million to $728 million, before significant items
- Alumina EBITDA margin[3] $45 per tonne, up $14 per tonne
- Cash cost of alumina per tonne produced down 5.5%
- Free cash flow $310 million, compared to a deficit of $133 million in 2012

AWAC's Strategic Initiatives Are Being Delivered

- Continued pricing transition with approximately 54% of third party smelter grade alumina shipments in 2013 priced on spot or index basis, compared to approximately 35% in 2012
- Ma'aden due to come on stream in 4Q 2014, refinery approximately 77% complete and mine approximately 52% complete

Outlook for 2014

- Market conditions remain challenging
- Approximately 65% of AWAC's 3rd party alumina shipments to be on spot or index basis
- Financial benefits with stronger US dollar
- AWAC focusing on achieving further productivity and supply chain improvements
- AWAC's sustaining and growth capex forecast to fall to approximately $265 million
- Point Henry smelter to close in third quarter

Alumina Limited Key Financials			AWAC Key Financials (US GAAP)		
	2013	**2012**		**2013**	**2012**
	US$m	**US$m**		**US$m**	**US$m**
Net profit (loss) after tax	**0.5**	**(55.6)**	**Total Revenue**	**5,884.6**	**5,815.3**
Equity share of AWAC embedded derivatives	(3.2)	(6.4)	**Loss before tax**	**(185.1)**	**(145.6)**
Underlying Earnings[4]	**(2.7)**	**(62.0)**	Income tax (charge)/credit	(63.6)	53.7
			Net loss after tax	**(248.7)**	**(91.9)**
Dividends/Distributions received	107.3	95.1	**Alba legal matter[1]**	**(384)**	**(85)**
Net Debt	135.2	664.4	**EBITDA[5]**	**268.9**	**335.5**
Gearing(%)[2]	4.6%	20.1%	Free cash flow[6]	310.3	(133.4)
			Dividends & Distributions	267.8	238.5

Alumina Limited today announced a net profit after tax of $0.5 million, compared to loss of $55.6 million for the year ended December 2012.

Alumina Limited Chief Executive Officer, Peter Wasow, said, "Alumina Limited's net profit is a significant improvement on last year, even after the significant charges. Despite challenging market conditions, Alumina's overall financial position improved over the year and its balance sheet strengthened.

"The AWAC joint venture delivered a sound operating performance due to strong cost control and ongoing net productivity gains and the strengthening US dollar, especially against the Australian dollar.

"The move toward spot or index pricing for alumina helped to maintain the average realised price close to last year's under difficult market conditions. During the year the pricing transition continued with approximately 54% of third party smelter grade alumina shipments priced on spot or an alumina indexed basis. AWAC's margins for alumina improved by $14 per tonne thanks to higher shipments and a reduction in cash costs per tonne of alumina produced of 5.5%.

"AWAC's strategic initiatives to improve margins are on track." Mr Wasow said.

The recent strengthening of the US dollar against the Australian dollar and Brazilian Reais has reduced US dollar production costs and capex for two thirds of AWAC's operating capacity. Meanwhile AWAC will continue to focus on extracting further productivity and sustainable costs reduction.

On 18 February 2014, Alcoa Inc reported the closure of the Point Henry smelter, which will significantly affect 2014 earnings.

So far in 2014, Alumina Limited has received $34 million capital repayment from AWAC."

Definitions and notes

1. Alba Civil Settlement and Government Investigations are legal matters that commenced in February 2008 and were concluded in January 2014. Inclusion of these matters in AWAC's performance has negatively impacted the Company's result over a number of reporting periods.
2. Calculated as (debt - cash) / (debt + equity).
3. Adjusted EBITDA/MT from Alcoa Inc's alumina segment (source: Alcoa Inc 4Q 2013 Results slide pack). Alcoa Inc alumina segment is predominately AWAC operations, of which Alumina Limited owns 40%
4. Underlying earnings are calculated by excluding the impact of fair value movements for embedded derivatives contained in AWAC energy contracts that are linked to the LME price of aluminium. Calculation of underlying earnings is undertaken on a consistent basis with previous periods.
5. Earnings before interest, tax, depreciation and amortisation consistent with previous periods.
6. Free cash flow defined as cash from operations less capital expenditure.

Investor Contacts:	**Media Contact:**
Chris Thiris, CFO +613 8699 2607	Scott Hinton +613 9600 1979 / +61 419 114 057
Ben Pitt, IR Manager +613 8699 2609	

Alumina Limited results are presented in US dollars