ALUMINA LIMITED

Sound Operational Performance – Under Difficult Market Conditions

Key Financials

Alumina Limited US$ million	*FY12*	*FY11*
Net (Loss)/Profit After Tax	(62.1)	126.6
Underlying (Loss)/Earnings After Tax [1]	(52.5)	128.0

Dividend to Alumina Limited Shareholders (US cps)	Nil	6 cps

AWAC US$ million		
Revenue	5,815.3	6,667.0
EBITDA [2]	335.5	1,074.2
Net (Loss)/Profit After Tax	(91.9)	469.7
Dividends and Distributions Paid to Alumina Limited	95.1	239.9

Highlights

Net loss after tax of $62.1 million and underlying loss of $52.5 million
Board determined no final dividend for 2012

Result impacted by low prices

- AWAC revenue declined 13%, primarily due to weak prices
- Volumes sold similar to 2011
- AWAC cash expenses declined 1.6%, aided by productivity initiatives

AWAC Operations continue to generate positive EBITDA

- EBITDA of $335.5 million
- Alumina EBITDA margin of $31/mt[3]
- Historical LME-based smelter grade alumina contracts continued to be replaced by contracts referenced to alumina index pricing

Placement of A$452m

- Introduces CITIC[4] as a strategically aligned and financially strong long term shareholder
- Funds will be used primarily to repay bank debt
- Following placement, net debt position is approximately $216 million

Market Conditions Improving

- LME aluminium and spot alumina prices above 2012
- Chinese demand for bauxite imports growing and costs increasing for marginal producers

Alumina Limited CEO, John Bevan, commented, “It was a tough year for the industry and this has resulted in the Company recording a loss, reversing the improvement in profits of prior years.

“Given the decline in cash flows received from the AWAC joint venture during 2012 and the continued uncertain outlook, the Board has determined that no final dividend will be paid for the year.

“Despite the very difficult market conditions, we are heartened by the sound operational performance of AWAC and the progress made on important initiatives that will ultimately strengthen the Company’s position and improve returns to shareholders.

“Production creep at our low cost refineries, planned curtailments at our higher cost refineries and hard-won productivity improvements across the board ensured that costs were controlled and the operations continued to generate cash.

"Significant improvement was achieved in the financial and operating performance at the Alumar refinery and Juruti mine in Brazil, and the Point Comfort refinery benefited from step-change improvements in energy costs, which have improved the competitiveness of this operation. The Australian refinery operations continued to operate at near or above nameplate capacity throughout the year.

"AWAC continues to change the way it prices third party smelter grade alumina for its customers by moving toward spot or alumina index pricing that de-links the price for alumina from the aluminium price, to better reflect alumina's distinct supply and demand and other fundamentals. In 2012, more than a third of smelter grade alumina shipments were based on spot/index prices, and it is expected that 48 per cent of third party smelter grade alumina shipments will be based on spot or alumina index prices during 2013.

"The development of the Ma'aden refinery in Saudi Arabia is progressing on time and on budget. This project will be commissioned in 2014 and is important in the context of lowering AWAC's refinery cash cost position.

"At an industry level, the 2013 year has started on a positive note, with prices recovering somewhat from 2012. However, the outlook for the market in 2013 remains uncertain with macro-economic conditions, particularly in Europe, remaining difficult.

Some statements in this public announcement 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; and (e) the other risk factors summarised in Alumina's Form 20-F for the year ended 31 December 2011.

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[1] Underlying earnings exclude the impact of mark to market valuation for embedded derivatives in energy contracts and non-cash adjustments for certain movements in defined benefit pension plans.

[2] Earnings before interest, tax and depreciation and amortisation

[3] Adjusted EBITDA/MT from Alcoa Inc's alumina segment (source: Alcoa Inc 4Q 2012 Results slide pack). Alcoa Inc alumina segment is predominately AWAC operations, of which Alumina Limited owns 40%

[4] The subscribers are CITIC Resources Australia Pty Ltd, an indirect wholly-owned subsidiary of CITIC Resources Holdings Limited, and Bestbuy Overseas Co., Ltd, an indirect wholly-owned subsidiary of CITIC Limited.

Alumina Limited results are presented in US dollars