

## Restructured Alumina Pricing Drives Revenue, Margin and Profit Growth

### Summary

- Underlying earnings<sup>1</sup> US\$78m, up US\$56m on first half 2010
- NPAT US\$68m, up US\$24m on first half 2010
- AWAC revenue US\$3,379m, up US\$725m on first half 2010
- Fully franked interim dividend US 3 cents per share, up US 1 cent per share on first half 2010

### Key Financials and Metrics

Alumina Limited	1H11	2H10	1H10
Underlying Earnings	\$78m	\$15m	\$22m
Net Profit After Tax	\$68m	\$(9)m	\$44m
Dividend to AWC shareholders	3 cps	4 cps	2 cps

### AWAC Joint Venture

Alumina Production	7.8mt	7.8mt	7.4mt
Revenue	\$3,379m	\$2,802m	\$2,654m
EBITDA <sup>2</sup>	\$611m	\$368m	\$435m
AWAC dividends received by Alumina Limited	\$166m	\$139m	\$95m

These results evidence a strong performance in industry prices and demand, further improved by the increasing use of spot/index pricing for alumina contracts. Operational performance has been steady and margins have expanded, despite headwinds from the weak US dollar.

This improved performance has led the Directors to lift the interim dividend to 3 cents per share, fully franked.

Alumina Limited CEO, John Bevan, commented, "Twelve months ago, the basis on which alumina is priced on world markets began to change. There is now a clear trend to alumina pricing being based on its own underlying economics rather than simply being linked to LME aluminium prices.

"We are in the first year of what is expected to be a five year transformation process and already this change has resulted in stronger bottom line performance. Higher input prices and the strength of the Australian dollar and Brazilian Real have put pressure on our cost base, but margins continued to improve with higher realised alumina prices and solid operational performance.

"Over the past decade, aluminium demand has outgrown all metals with the exception of steel. Much of this growth has been driven by Chinese industrialisation, with China now established as a major consumer and producer of aluminium. As the world's largest alumina producer, the AWAC joint venture is well positioned to benefit from structural change and a shift in value as margins move upstream."

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<sup>1</sup> 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.

<sup>2</sup> Earnings before interest, tax and depreciation and amortisation