ALUMINA LIMITED

Stronger Outlook following difficult year

Summary

- Underlying loss after tax $2 million and net loss after tax $26 million
- AWAC global bauxite and alumina business remained profitable and paid dividends despite difficult market conditions
- AWAC Australian smelters returned to profitability in final quarter
- Average unit cost of alumina production reduced
- Global refining capacity increased 15% – record production rates achieved in 4Q
- Alumina's balance sheet and debt profile restructured
- 2010 market conditions and outlook significantly improved on prior year
- Alumina returns to payment of dividends to shareholders – 2cps fully franked

Key Financials and Metrics

A$m	H109	H209	FY09	FY08
Underlying Earnings A$m	(15)	13	(2)	202
Net Profit After Tax A$m	6	(32)	(26)	168
AWAC Dividends A$	112	64	176	356
Alumina Production	6.4mt	7.1mt	13.5mt	14.4mt
Aluminium Production	188kt	180kt	368kt	388kt
Average LME/t	US$1,464	US$1,936	US$1,704	US$2,623
Average $A/$US$	0.71	0.87	0.79	0.85

Alumina Limited CEO, John Bevan commented, "The 2009 result reflects the worst of the impact of the global financial crisis on aluminium and alumina prices. The AWAC global bauxite and alumina business remained profitable throughout the downturn and the smelters returned to profitability in the final quarter. Average unit costs of alumina production reduced during the year despite rising energy and freight costs and a weakening US dollar in the second half.

"Production capacity was increased 15% during the year with the commissioning of the expanded Brazilian operations and acquisition of the remaining 45% interest in the Suralco refinery. Alumina production increased to record levels in the latter part of the year to meet improved levels of customer demand, particularly from China.

"The outlook for improved returns for shareholders has strengthened. LME aluminium prices are approximately 55 per cent higher than they were at the beginning of 2009 although they remain well below 2008 averages. AWAC alumina production is forecast to increase by around two million tonnes in 2010 to meet customer demand, and average production costs are targeted to remain at the improved 2009 levels. In addition, the major capital expenditure program in Brazil is now largely behind us."

These factors create an environment for Alumina Limited to expect to receive an improved dividend flow from AWAC in 2010. Directors declared a 2 cent dividend fully franked.

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