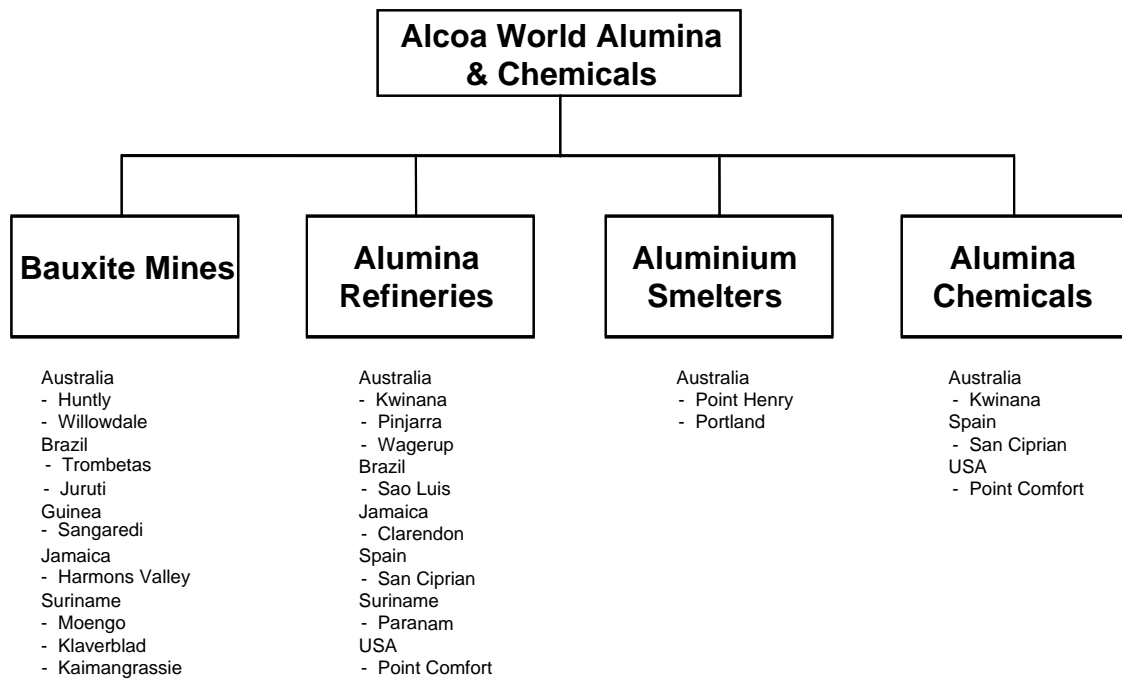
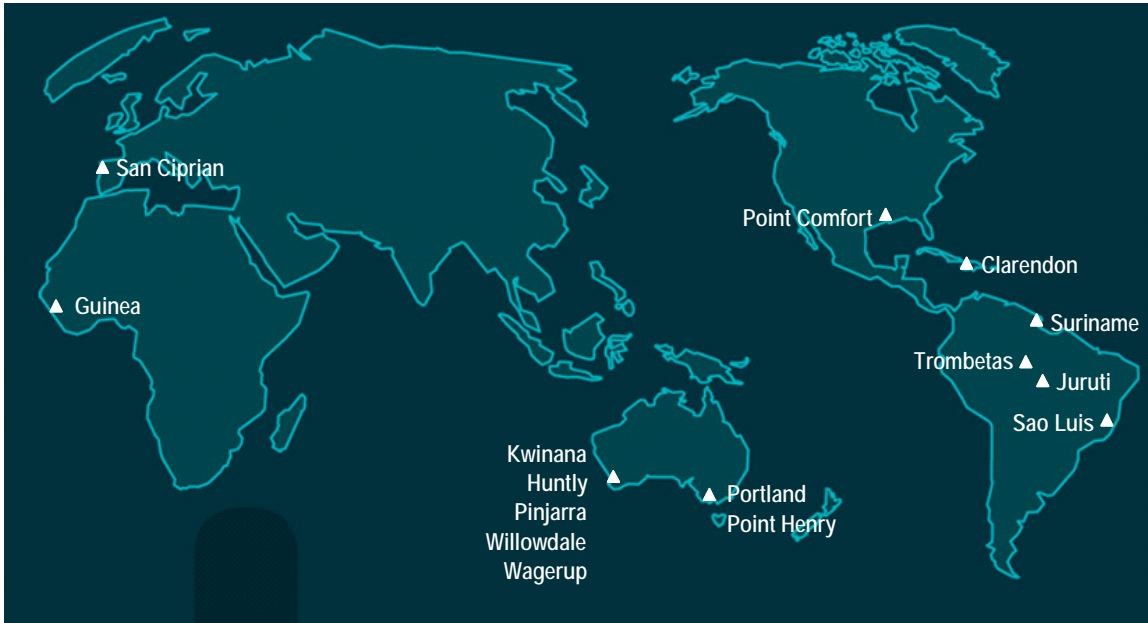


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Diagram of AWAC Operations



Alcoa World Alumina and Chemicals (AWAC) Profit & Loss

US\$ Millions (US GAAP) 100%	Full Year 2007	1st Half 2008	2nd Half 2008	Full Year 2008
Sales and Operating Revenue	3,471.3	1,807.0	1,936.4	3,743.4
Revenue from Related Parties	2,331.1	1,545.5	1,020.5	2,566.0
Total Revenue	5,802.4	3,352.5	2,956.9	6,309.4
Cost of Goods Sold and Operating Expenses	(4,001.1)	(2,585.8)	(2,236.0)	(4,821.8)
Selling, Administration, Other Expenses and R&D Expenses	(107.9)	(60.0)	(68.7)	(128.7)
Provision for Depreciation, Depletion and Amortisation	(277.7)	(161.1)	(134.2)	(295.3)
Other	(3.8)	(14.7)	(24.4)	(39.1)
Total Expenses	(4,390.5)	(2,821.6)	(2,463.3)	(5,284.9)
Profit before Taxes on Income	1,411.9	530.9	493.6	1,024.5
Provision for Taxes on Income	(458.6)	(174.9)	(257.6)	(432.5)
Net Income	953.3	356.0	236.0	592.0
Members' Equity				
Opening Balance at Start of Period	4,027.7	5,417.9	6,579.3	5,417.9
Net Income	953.3	356.0	236.0	592.0
Capital Contribution	1,021.7	748.0	870.2	1,618.2
Dividends Paid and Return of Capital to Partners	(914.1)	(291.2)	(445.5)	(736.7)
Common Stock Issued for Compensation Plans	0.8	4.1	0.9	5.0
Other Comprehensive Income/(Loss)	328.4	344.5	(1,217.3)	(872.8)
Other	0.1	-	-	-
Closing Balance at End of Period	5,417.9	6,579.3	6,023.6	6,023.6

Alcoa World Alumina and Chemicals (AWAC) Balance Sheet

US\$ Millions (US GAAP) 100%	31 December 2007	30 June 2008	31 December 2008
Cash and Cash Equivalents	68.3	120.2	70.0
Receivables	636.2	870.5	708.3 ¹
Inventories	583.4	659.7	674.1
Prepaid Expenses and Other Current Assets	117.0	164.0	123.3
Total Current Assets	1,404.9	1,814.4	1,575.7
Property Plant & Equipment	4,870.8	5,747.4	5,530.1
Investments	252.7	257.3	237.3
Other Assets and Deferred Charges	953.7	1,031.7	947.8
Total Non-Current Assets	6,077.2	7,036.4	6,715.2
Total Assets	7,482.1	8,850.8	8,290.9
Short Term Borrowings	113.5	143.4	181.6
Payables	742.6	963.3	789.5
Taxes Payable	280.5	125.0	277.2
Accrued Compensation and Retirement Costs	204.8	205.8	181.7
Other Current Liabilities	105.4	105.4	78.7
Total Current Liabilities	1,446.8	1,542.9	1,508.7
Long Term Debt	-	-	-
Deferred Taxes	277.3	358.4	255.1
Other Long Term Liabilities	340.1	370.2	503.5
Total Non-Current Liabilities	617.4	728.6	758.6
Total Liabilities	2,064.2	2,271.5	2,267.3
Minority Interest	-	-	-
Equity	5,417.9	6,579.3	6,023.6
Total Liabilities & Equity	7,482.1	8,850.8	8,290.9

¹ Receivables at 31 December 2008 included an amount of US\$51 million advanced by Alcoa of Australia to a non-AWAC Alcoa Company, which is at call. This amount has been treated as a cash equivalent in calculating AWAC's net debt.

Alcoa World Alumina and Chemicals (AWAC) Statement of Cashflows

US\$ Millions (US GAAP) 100%	Full Year 2007	1st Half 2008	2nd Half 2008	Full Year 2008
<u>Operating Activities</u>				
Net Income	953.3	356.0	236.0	592.0
Adjustments to Reconcile Net Income to Cash from Operations				
Depreciation, Amortisation and Impairment	277.7	161.1	134.2	295.3
Other Items*	(328.0)	(234.1)	(1.8)	(235.9)
Cash from Operating Activities	903.0	283.0	368.4	651.4
<u>Financing Activities</u>				
Dividends Paid & Return of Capital to Partners	(914.1)	(291.2)	(445.5)	(736.7)
Change in Debt	19.4	29.9	38.2	68.1
Additions to capital leases	-	-	30.0	30.0
Capital Contribution	1,021.7	748.0	870.2	1,618.2
Excess tax benefits from share based payment arrangements	1.7	1.2	(0.6)	0.6
Cash Used for Financing Activities	128.7	487.9	492.3	980.2
<u>Investing Activities</u>				
Capital Expenditure	(1,235.7)	(678.7)	(851.8)	(1,530.5)
Net changes in related party note receivable	100.0	(47.8)	(39.2)	(87.0)
Other	(30.9)	1.5	(10.9)	(9.4)
Cash Used for Investing Activities	(1,166.6)	(725.0)	(901.9)	(1,626.9)
Effect of Exchange Rate Changes on Cash	8.1	6.0	(9.0)	(3.0)
Cash Generated / (Used)	(126.8)	51.9	(50.2)	1.7
Cash and Cash Equivalents				
Cash and Cash Equivalents at Beginning of Period	195.1	68.3	120.2	68.3
Cash and Cash Equivalents at End of Period	68.3	120.2	70.0	70.0
Net Change in Cash and Cash Equivalents	(126.8)	51.9	(50.2)	1.7

* Other Items consists of net movement in working capital and other non-current assets and liabilities

Alcoa World Alumina and Chemicals (AWAC) Reconciliation of Profit to Alumina Limited Share of AWAC's Equity Profit

	Full Year 2007	1st Half 2008	2nd Half 2008	Full Year 2008
USD Profit Before Taxes on Income (US GAAP)	1,411.9	530.9	493.6	1,024.5
Adjust for USD AIFRS Adjustments	116.8	(362.1)	246.6	(115.5)
Total USD Profit Before Taxes (AIFRS)	1,528.7	168.8	740.2	909.0
Total AUD Profit Before Taxes (AIFRS)	1,822.7	182.6	884.5	1,067.1
Alumina Limited Share of Equity Profit Before Tax	729.1	73.0	353.8	426.8
Less: Share of Equity Income Tax Expense	(234.5)	(27.1)	(157.1)	(184.2)
Alumina Limited Share of Equity Profit After Tax	494.6	45.9	196.7	242.6