

2017 Half-Year Result

ALUMINA LIMITED REPORTS US\$137 MILLION PROFIT AFTER TAX

Alumina Limited (ASX:AWC) today reported a statutory net profit after tax of US\$136.6 million for the half-year to 30 June 2017. This compares to a net profit in the previous corresponding period of US\$7.8 million.

Excluding significant items, Alumina Limited's net profit would have been US\$148.7 million.

Alumina Limited has declared an interim, fully franked dividend of 4.2 US cents per share. This compares to a final dividend of 3.1 US cents per share in 2017 and an interim dividend in 2016 of 2.9 US cents per share. The dividend reinvestment plan will be suspended for this dividend. Alumina Limited maintains low levels of debt (gearing 4.0%) which assists in maximising dividends to shareholders.

Since 30 June 2017, Alumina Limited has received US\$83.6 million of distributions from AWAC entities, the proceeds of which have been included in the interim dividend.

Alumina Limited's Chief Executive Officer, Mike Ferraro, said, "AWAC's lowest quartile cost of operations in mining and refining combined with a recovery in alumina prices has resulted in a strong performance by AWAC. Higher net cash distributions from AWAC have enabled the Company to increase its dividend to shareholders. Global aluminium consumption is growing and will underpin demand for alumina and bauxite. In the medium term, Chinese supply-side reforms are likely to reduce excess smelting and refining capacity."

AWAC JOINT VENTURE PERFORMANCE: EBITDA UP US\$402 MILLION, CASH FROM OPERATIONS UP US\$665 MILLION

- EBITDA increased by US\$401.9 million to US\$682.4 million over previous corresponding period largely due to higher alumina prices
- Cash from operations improved by US\$665.0 million over the previous corresponding period to US\$424.8 million. Cash from operations last year included the US\$200 million instalment for the Western Australian gas supply agreement but excluded the US\$145 million proceeds from the sale of the Dampier Bunbury Natural Gas Pipeline

OUTLOOK FOR 2017

- Aluminium demand growth of over 5% in 2017 will feed through to alumina and bauxite demand
- Alumina supply and demand outside China is expected to be broadly balanced in 2017. In China, industry supply-side reforms and pollution and environmental audit programs may cause fluctuations in alumina prices in the near term
- The bauxite market is expected to remain well supplied for the remainder of 2017 and, as a result, third party bauxite prices are expected not to change significantly in the second half

ALUMINA LIMITED KEY FINANCIALS	US\$ MILLION		AWAC KEY FINANCIALS (US GAAP)	US\$ MILLION	
	HY 2017	HY 2016		HY 2017	HY 2016
Net profit after tax	136.6	7.8	Net profit after tax	367.1	90.5
Total significant items after tax	(12.1)	(4.9)	EBITDA ²	682.4	280.5
Net profit after tax excluding significant items	148.7	12.7	Total significant items before tax ³	(33.3)	5.4
Cash received from AWAC	155.2	83.7	EBITDA excluding significant items	715.7	275.1
Contributions paid to AWAC	(56.0)	-			
Net Receipts from AWAC	99.2	83.7			

DEFINITIONS AND NOTES

1. AWAC is Alcoa World Alumina & Chemicals, which is 60% owned by Alcoa Inc and 40% owned by Alumina Limited.
2. Earnings before interest, tax, depreciation and amortisation consistent with previous periods.
3. HY17 significant items are Suralco restructuring charge of \$6.3 million, Point Comfort restructuring charge of \$23.7 million and other items totalling a charge of \$3.3 million. HY16 AWAC financials include Point Comfort restructuring charge of \$4.2 million, Suralco restructuring charges of \$15.7 million and other charges of \$1.8 million offset by a gain on sale of the Dampier Bunbury Natural Gas Pipeline interest of \$27.1 million. For further details refer to the reconciliation on page 24 of Alumina Limited's ASX Half-Year Report for the period ended 30 June 2017.

Neither Alumina nor any other person warrants or guarantees the future performance of Alumina or any return on any investment made in Alumina securities. This document may contain certain forward-looking statements, including forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. The words "anticipate", "aim", "believe", "expect", "project", "estimate", "forecast", "intend", "likely", "should", "could", "will", "may", "target", "plan" and other similar expressions (including indications of "objectives") are intended to identify forward-looking statements. Indications of, and guidance on, future financial position and performance and distributions, and statements regarding Alumina's future developments and the market outlook, are also forward-looking statements.

Any forward-looking statements contained in this document are not guarantees of future performance. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Alumina and its directors, officers, employees and agents that may cause actual results to differ materially from those expressed or implied in such statements. Those risks, uncertainties and other factors include (without limitation):

(a) material adverse changes in global economic conditions, alumina or aluminium industry conditions or the markets served by AWAC; (b) changes in production or development costs, production levels or sales agreements; (c) changes in laws, regulations or policies; (d) changes in alumina or aluminium prices or currency exchange rates; (e) Alumina Limited does not hold a majority interest in AWAC and decisions made by majority vote may not be in the best interests of Alumina Limited; and (f) the other risk factors summarised in Alumina's Annual Report 2016. Readers should not place undue reliance on forward-looking statements. Except as required by law, Alumina disclaims any responsibility to update or revise any forward-looking statements to reflect any new information or any change in the events, conditions or circumstances on which a statement is based or to which it relates.

This presentation contains certain non-IFRS financial information. This information is presented to assist in making appropriate comparisons with prior year and to assess the operating performance of the business. Where non-IFRS measures are used, definition of the measure, calculation method and/or reconciliation to IFRS financial information is provided as appropriate or can be found in the Alumina Limited's ASX Half-Year Report for the half-year ended 30 June 2017.



Stephen Foster
Company Secretary

24 August 2017

FOR INVESTOR ENQUIRIES:

Chris Thiris

Chief Financial Officer

Phone: +61 3 8699 2607

chris.thiris@aluminalimited.com

Charles Smitheram

Manager – Treasury and Investor Relations

Phone: +61 3 8699 2613

charles.smitheram@aluminalimited.com

FOR MEDIA ENQUIRIES:

Tim Duncan

Hinton and Associates

Phone: +61 3 9600 1979

Mobile: +61 408 441 122