

Alcoa Corp Third Quarter 2018 Earnings Release

Alumina Limited (ASX: AWC) notes Alcoa Corp's ("Alcoa") quarterly earnings release. To assist readers in understanding relevant market, operational and commercial matters of the AWAC joint venture, selected information from the Alcoa Bauxite and Alumina Segments, AWAC joint venture and Alumina Limited plus other market data is attached.

Alumina Limited's CEO, Mike Ferraro, commented on the continued strong performance of the Alumina segment. "The Alumina segment EBITDA excluding special items was up 3% to \$660 million compared to the previous quarter as the spot alumina price remained at elevated levels. This performance has translated into significant distributions from AWAC since the end of the half-year.

The alumina market is tight due to a number of production issues at refineries around the world. The spot alumina price is currently approximately \$500/t which is above the average lagged price for the third quarter. The alumina cash cost of production has increased slightly quarter on quarter but margins remained consistent with the strong second quarter result."

About AWAC & Alcoa's Earnings Release

Alumina Limited owns 40% of each of the AWAC entities, which form a part of the Alcoa bauxite & alumina business segments. The Alcoa aluminium business segment includes the AWAC Portland smelting operations. The operating Afobaka power station and closed operations are included in Transformation & legacy pension/OPEB. Therefore, the AWAC results cannot be directly inferred from the Alcoa earnings release. Further, unlike Alumina Limited, Alcoa reports under US GAAP. All figures displayed are in US dollars unless otherwise shown.

Forward-looking statements

Neither Alumina Limited nor any other person warrants or guarantees the future performance of Alumina Limited or any return on any investment made in Alumina Limited 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 Limited's future developments and the market outlook, are also forward-looking statements.

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Alumina Limited

- **Alcoa Corp's 3Q 2018 Bauxite and Alumina Segments' highlights**
- **Market data on commodity prices**

18 October 2018

Summary Information

This Presentation contains summary information about the current activities of Alumina Limited (ACN 004 820 419) (**Alumina**) and its subsidiaries as at the date of this Presentation. The information in this Presentation should not be considered to be comprehensive nor to comprise all the information that a reader may require in order to make an investment decision regarding Alumina securities. This Presentation should be read in conjunction with Alumina's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au.

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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 2017. 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.

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Past Performance

Past performance information contained in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

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Highlights

Alcoa Segments	3Q 2018	2Q 2018	Selected Highlights	
Adjusted EBITDA Total:			<ul style="list-style-type: none"> ▪ Bauxite: Favourable currency and price mix movements partially offset by lower equity earnings ▪ Alumina: Higher realised prices and favourable currency movements partially offset by higher operational impacts 	
- Alcoa Bauxite Segment	\$106m	\$100m		
- Alcoa Alumina Segment	\$660m	\$638m		
Adjusted EBITDA Margin:				
- Alcoa Bauxite Segment	36.4%	33.0%		
- Alcoa Alumina Segment	40.1%	39.8%		
AWAC	3Q 2018	2Q 2018	Comments	
Production:			<ul style="list-style-type: none"> ▪ Mining: Includes wholly owned mines plus equity share of CBG and MRN ▪ Refining: Excludes equity share of Ma'aden ▪ Cash Cost: Includes bauxite at cost. Cash cost include the effect of higher caustic, energy prices and operational issues. ▪ Realised Price: Higher due to timing of shipments and favourable price mix despite lower average API. The API price as at 17 October 2018 was approximately \$500/t. 	
- AWAC Mining Business (mbdt)	10.8	10.7		
- AWAC Refining Business (mt)	3.0	3.1		
Alumina Cost and Price:				
- Cash Cost (\$/t production)	\$232	\$225		
- Realised Price (\$/t shipments)	\$475	\$471		
Alumina Limited	Post 30/9/2018	3Q 2018	2Q 2018	Comments
AWAC Net Distributions:				<ul style="list-style-type: none"> ▪ The 2018 interim dividend included \$180.7m of net distributions received after 30 June 2018 but prior to declaration on 23 August 2018 ▪ Contributions in 2Q 2018 included Alumina Limited's share of the \$30m Suriname contractor arbitration loss
- Alumina Limited Receipts	\$86.4m	\$180.7m	\$117.5m	
- Alumina Limited Contributions	(\$20.0m)	(Nil)	(\$56.0m)	
Net Debt - End of period:	N/a	\$121m	\$55m	

Important Notes:

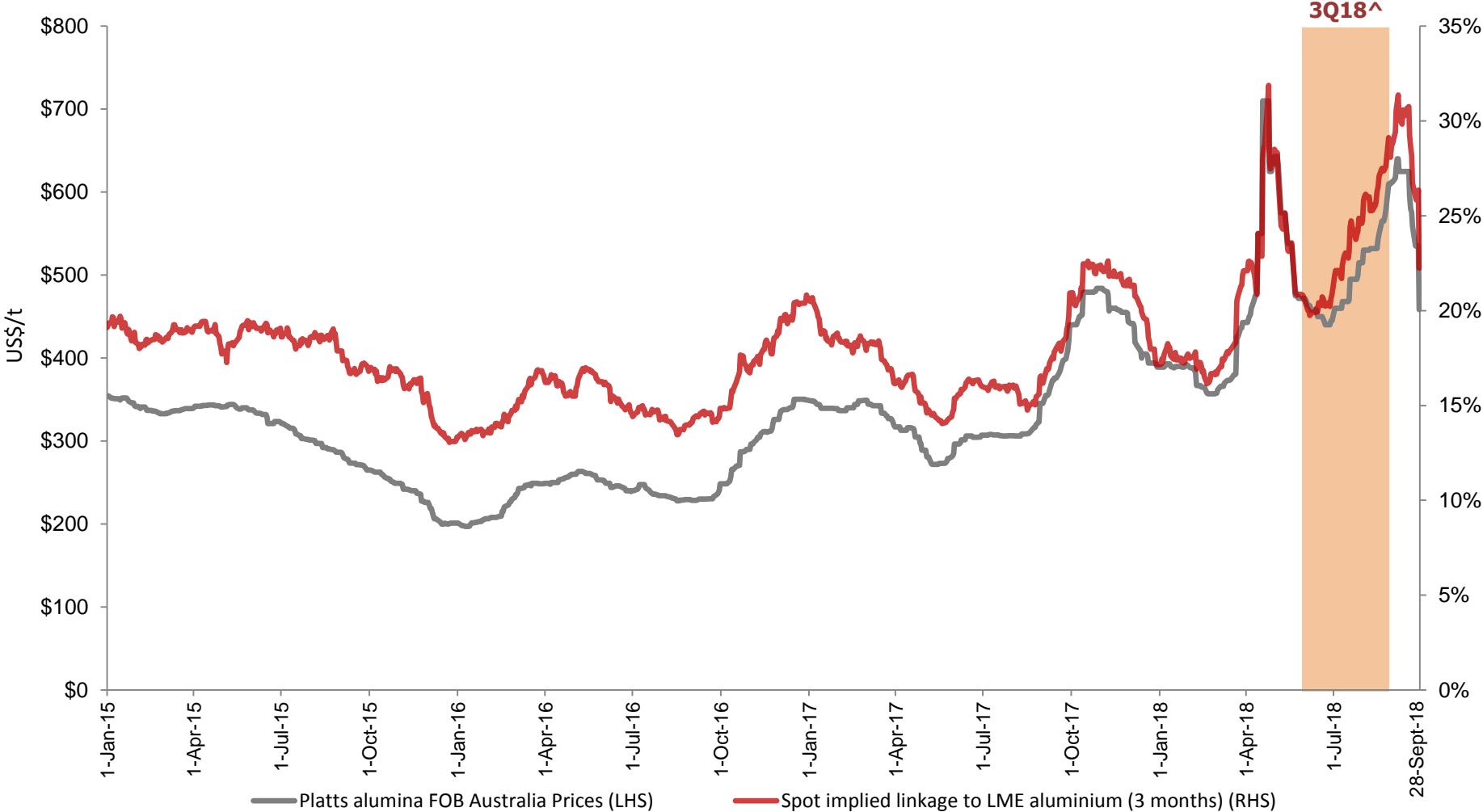
- The Alcoa Corp Bauxite and Alumina Segments include mining and refining operations at Pocos de Caldas, an additional 15% interest in the Sao Luis refinery and an additional interest in MRN which are not part of AWAC. AWAC's interest in the Portland smelter is included in the Alcoa Corp Aluminum Segment and the operating interests in the Afobaka hydro-electric station and all closed operations are included in Transformation & legacy pension/OPEB. Therefore, the AWAC results cannot be directly inferred from the Alcoa earnings release.
- Adjusted EBITDA is a non-GAAP financial measure derived from Alcoa's consolidated financial information. Alcoa Corp's financial statements are prepared in accordance with US GAAP. The definition of Adjusted EBITDA and reconciliations to the most directly comparable GAAP financial measure can be found in the schedules to Alcoa Corp's earnings release.

AWAC 2018 distribution calendar

(US\$m)

No later than	Relevant AWAC Entities	Description	Distributions Received	Contributions Made	Included In
20 January	All	50% of each entity's US GAAP Net Income (if positive) for 4Q of the previous calendar year	\$117.1	N/a	2017 Final Dividend
31 January	AWA LLC	Working Capital Contributions	N/a	(\$52.8)	2017 Final Dividend
20 February	All except AWA LLC	Available Cash of each entity as at 31 January	\$133.9	N/a	2017 Final Dividend
20 April	All	50% of each entity's US GAAP Net Income (if positive) for 1Q	\$72.1	N/a	2018 Interim Dividend
20 May	All except AWA LLC	Available Cash of each entity as at 30 April	\$61.6	N/a	2018 Interim Dividend
30 June	AWA LLC	Working Capital Contributions	N/a	(\$56.0)	2018 Interim Dividend
20 July	All	50% of each entity's US GAAP Net Income (if positive) for 2Q	\$99.1	N/a	2018 Interim Dividend
20 August	All except AWA LLC	Available Cash of each entity as at 31 July	\$81.6	N/a	2018 Interim Dividend
20 October	All	50% of each entity's US GAAP Net Income (if positive) for 3Q	\$86.4	N/a	2018 Final Dividend
20 October	AWA LLC	Working Capital Contributions	N/a	(\$20.0)	2018 Final Dividend
20 November	All except AWA LLC	Available Cash of each entity as at 31 October	TBA	N/a	2018 Final Dividend
31 December	AWA LLC	Working Capital Contributions	N/a	(TBA)	2018 Final Dividend

Spot alumina & implied linkage

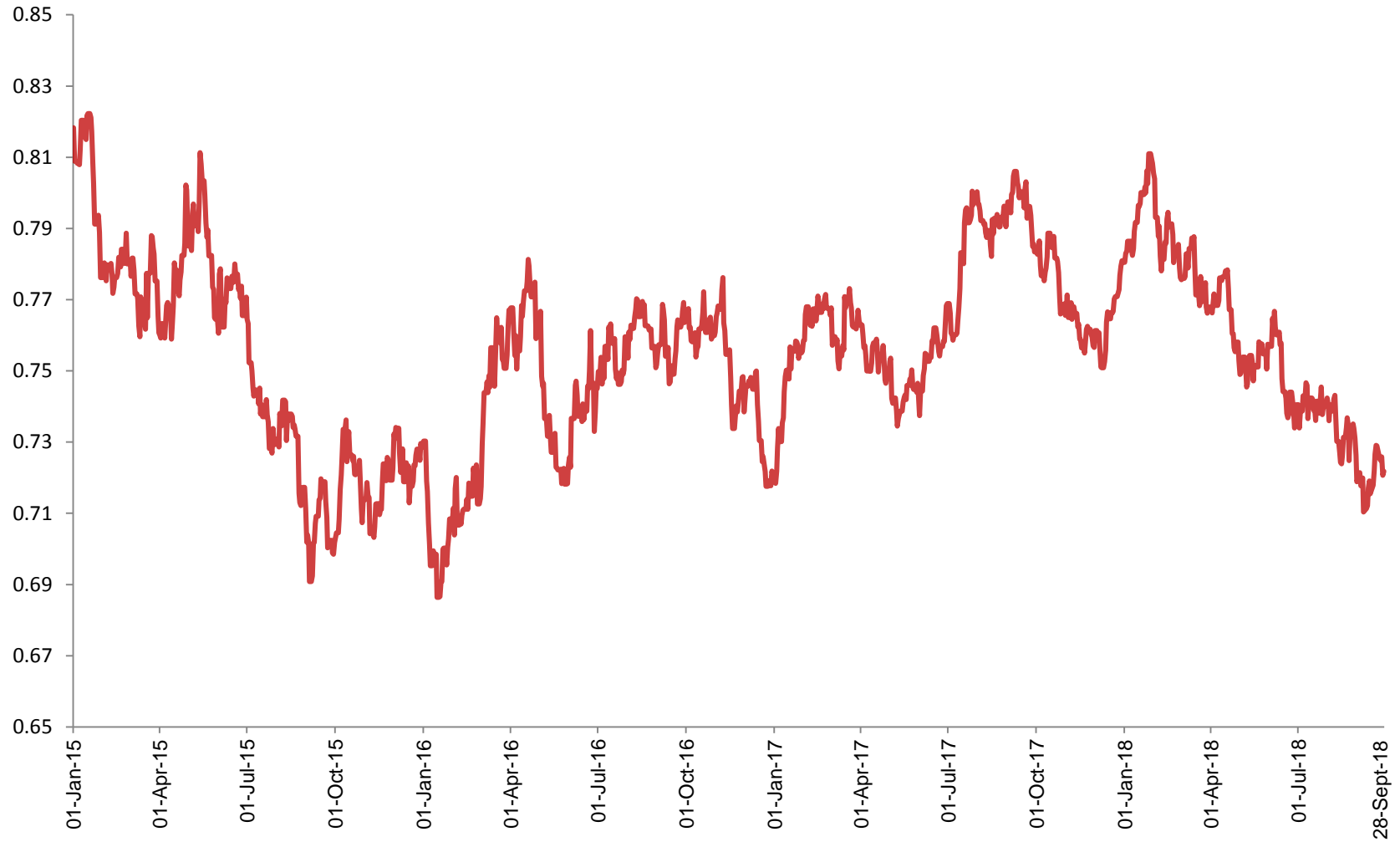


^ Indicative pricing period relevant to 3Q18 smelter grade alumina sales due to 1-month lag

Sources: Alumina: S & P Global Platts, Oct 2018. LME Aluminium: Thomson Reuters, Oct 2018

Commodity prices in this slide pack are based on published market prices and may not equate to actual pricing under AWAC contracts

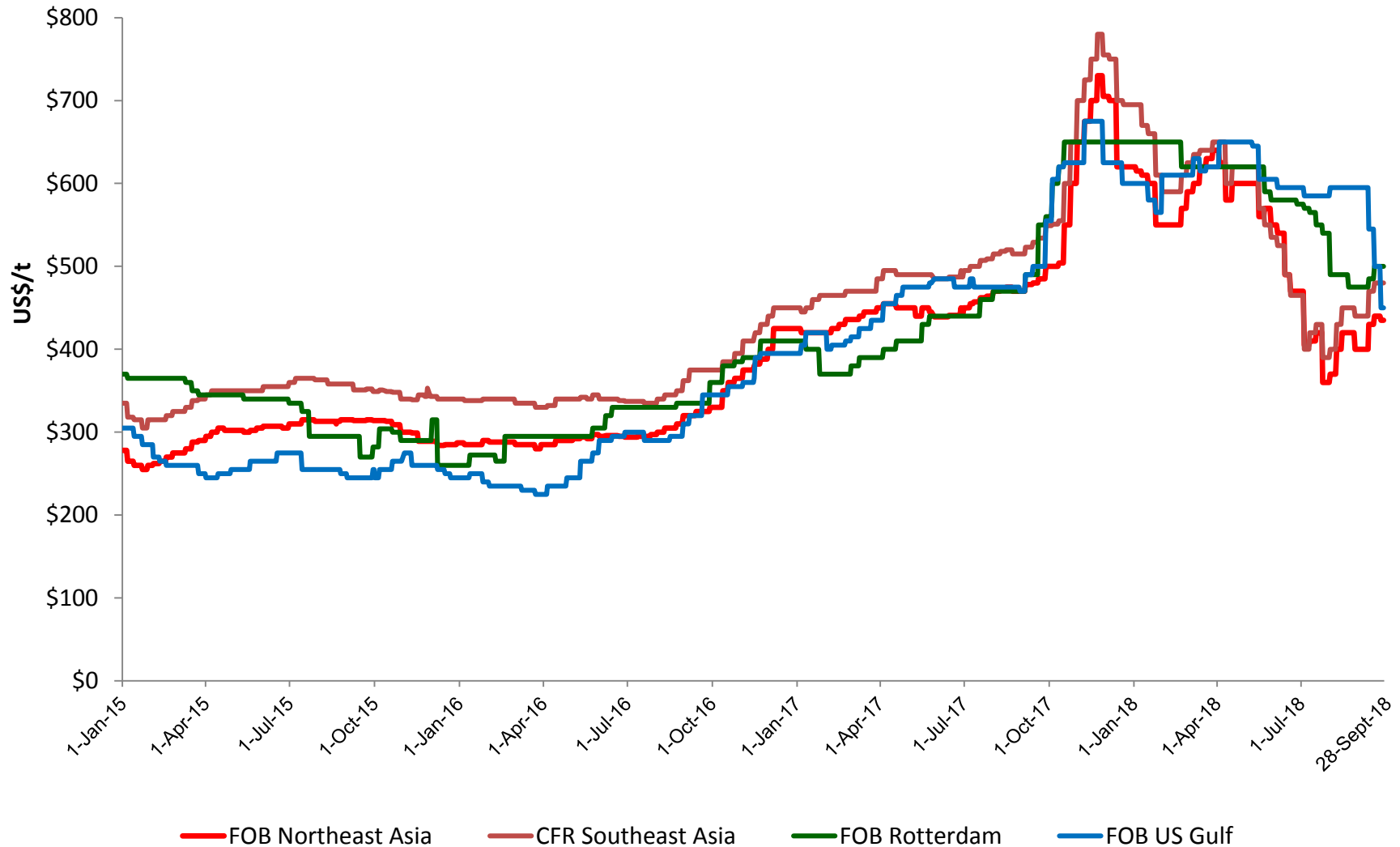
Foreign Exchange – AUD/USD



Source: Thomson Reuters, October 2018

Commodity prices in this slide pack are based on published market prices and may not equate to actual pricing under AWAC contracts

Caustic Soda



Source: S & P Global Platts, October 2018

Commodity prices in this slide pack are based on published market prices and may not equate to actual pricing under AWAC contracts