

Alcoa Corp Fourth 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, welcomed another strong quarter for the Bauxite and Alumina segments which include most of the AWAC operations. "A \$9/t drop in the cost of alumina production and higher alumina shipments during the quarter contributed to an Adjusted EBITDA for the Alumina Segment of \$683 million. AWAC has continued to make significant distributions to the Company.

With the alumina market remaining tight, current alumina price levels of around \$385/t continue to underpin robust positive cash flows for AWAC."

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 4Q 2018 Bauxite and Alumina Segments' highlights**
- **Market data on commodity prices**

17 January 2019

Disclaimer

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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Highlights

Alcoa Segments	4Q 2018	3Q 2018	Selected Highlights
Adjusted EBITDA Total:			<ul style="list-style-type: none"> Alumina: The primary reason for the improved Adjusted EBITDA was the increase in shipments due to higher tonnes produced Bauxite: Improvement primarily due to higher sales to both internal and third party customers partially offset by slightly higher energy costs
- Alcoa Alumina Segment	\$683m	\$660m	
- Alcoa Bauxite Segment	\$110m	\$106m	
Adjusted EBITDA Margin:			
- Alcoa Alumina Segment	40.2%	40.1%	
- Alcoa Bauxite Segment	33.8%	36.4%	

AWAC	4Q 2018	3Q 2018	Comments
Production:			<ul style="list-style-type: none"> Refining: Excludes equity share of Ma'aden Mining: Includes wholly owned mines plus equity share of CBG and MRN
- AWAC Refining Business (mt)	3.1	3.0	
- AWAC Mining Business (mbdt)	11.1	10.8	
Alumina Cost and Price:			<ul style="list-style-type: none"> Cash Cost [includes bauxite at cost]: Driven by increased production plus smaller benefits from energy, raw materials and labour Realised Price: A small increase in API was offset by contractual price true-ups and spread of shipments
- Cash Cost (\$/t production)	\$223	\$232	
- Realised Price (\$/t shipments)	\$469	\$475	

Alumina Limited	Post 31/12/2018	4Q 2018	3Q 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
- Alumina Limited Receipts	\$94.0m	\$261.3m	\$180.7m	
- Alumina Limited Contributions	(TBA)	(\$40.0m)	(Nil)	
Net Debt / (Cash) – Period End	N/a	(\$95.8m)	\$121m	

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)

2018: No later than	Relevant AWAC Entities	Description	Distributions from AWAC	Contributions to AWAC	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	\$174.9	N/a	2018 Final Dividend
31 December	AWA LLC	Working Capital Contributions	N/a	(\$20.0)	2018 Final Dividend

AWAC 2019 distribution calendar

(US\$m)

2019: No later than	Relevant AWAC Entities	Description	Distributions from AWAC	Contributions to AWAC	Included In
20 January	All	50% of each entity's US GAAP Net Income (if positive) for 4Q of the previous calendar year	\$94.0	N/a	2018 Final Dividend
31 January	AWA LLC	Working Capital Contributions	N/a	(TBA)	2018 Final Dividend
20 February	All except AWA LLC	Available Cash of each entity as at 31 January	TBA	N/a	2018 Final Dividend
20 April	All	50% of each entity's US GAAP Net Income (if positive) for 1Q	TBA	N/a	2019 Interim Dividend
20 May	All except AWA LLC	Available Cash of each entity as at 30 April	TBA	N/a	2019 Interim Dividend
30 June	AWA LLC	Working Capital Contributions	N/a	(TBA)	2019 Interim Dividend
20 July	All	50% of each entity's US GAAP Net Income (if positive) for 2Q	TBA	N/a	2019 Interim Dividend
20 August	All except AWA LLC	Available Cash of each entity as at 31 July	TBA	N/a	2019 Interim Dividend
20 October	All	50% of each entity's US GAAP Net Income (if positive) for 3Q	TBA	N/a	2019 Final Dividend
20 October	AWA LLC	Working Capital Contributions	N/a	(TBA)	2019 Final Dividend
20 November	All except AWA LLC	Available Cash of each entity as at 31 October	TBA	N/a	2019 Final Dividend
31 December	AWA LLC	Working Capital Contributions	N/a	(TBA)	2019 Final Dividend

Spot alumina & implied linkage

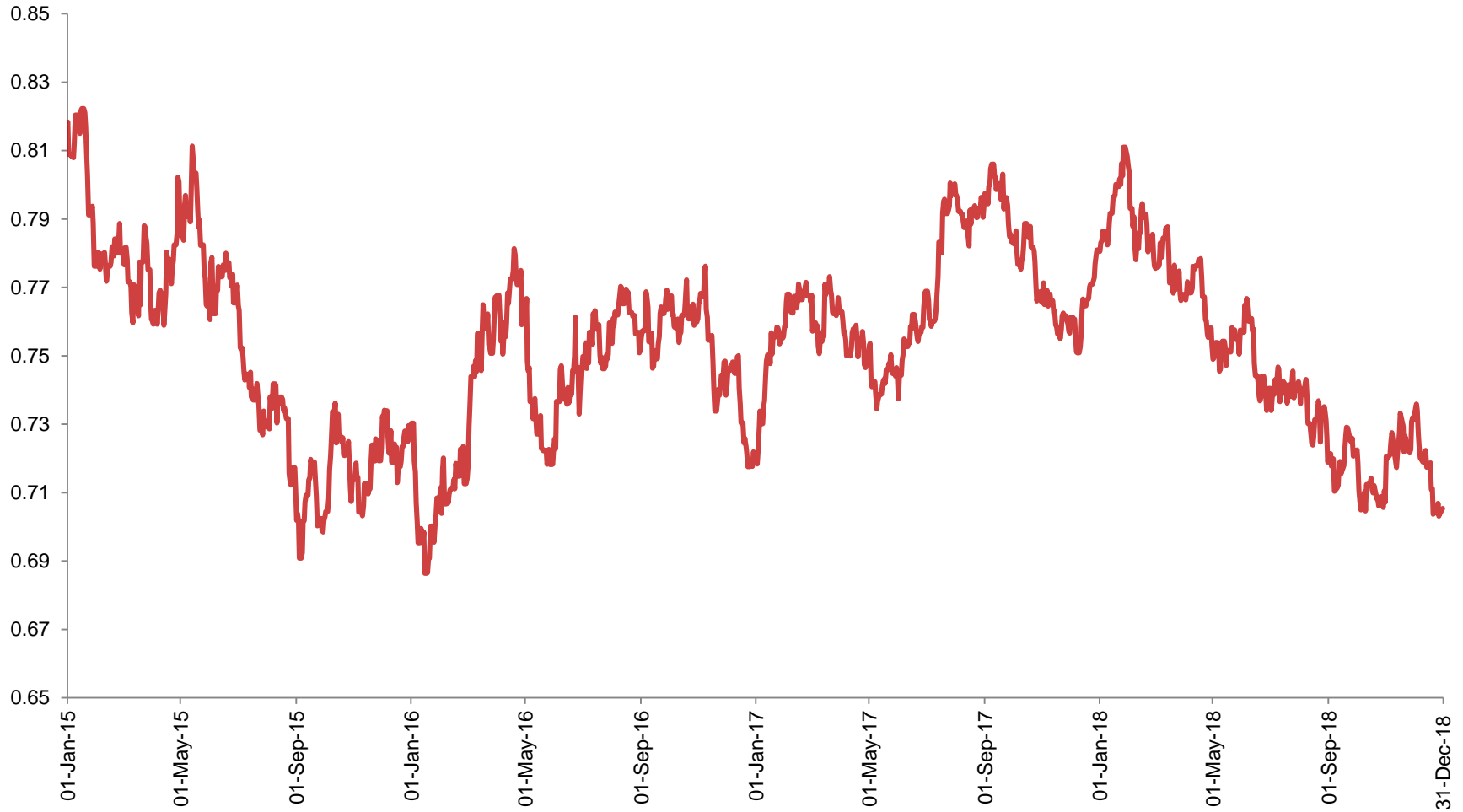


^ Indicative pricing period relevant to 4Q18 smelter grade alumina sales due to 1-month lag

Sources: Alumina: S & P Global Platts, Jan 2019. LME Aluminium: Thomson Reuters, Jan 2019

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

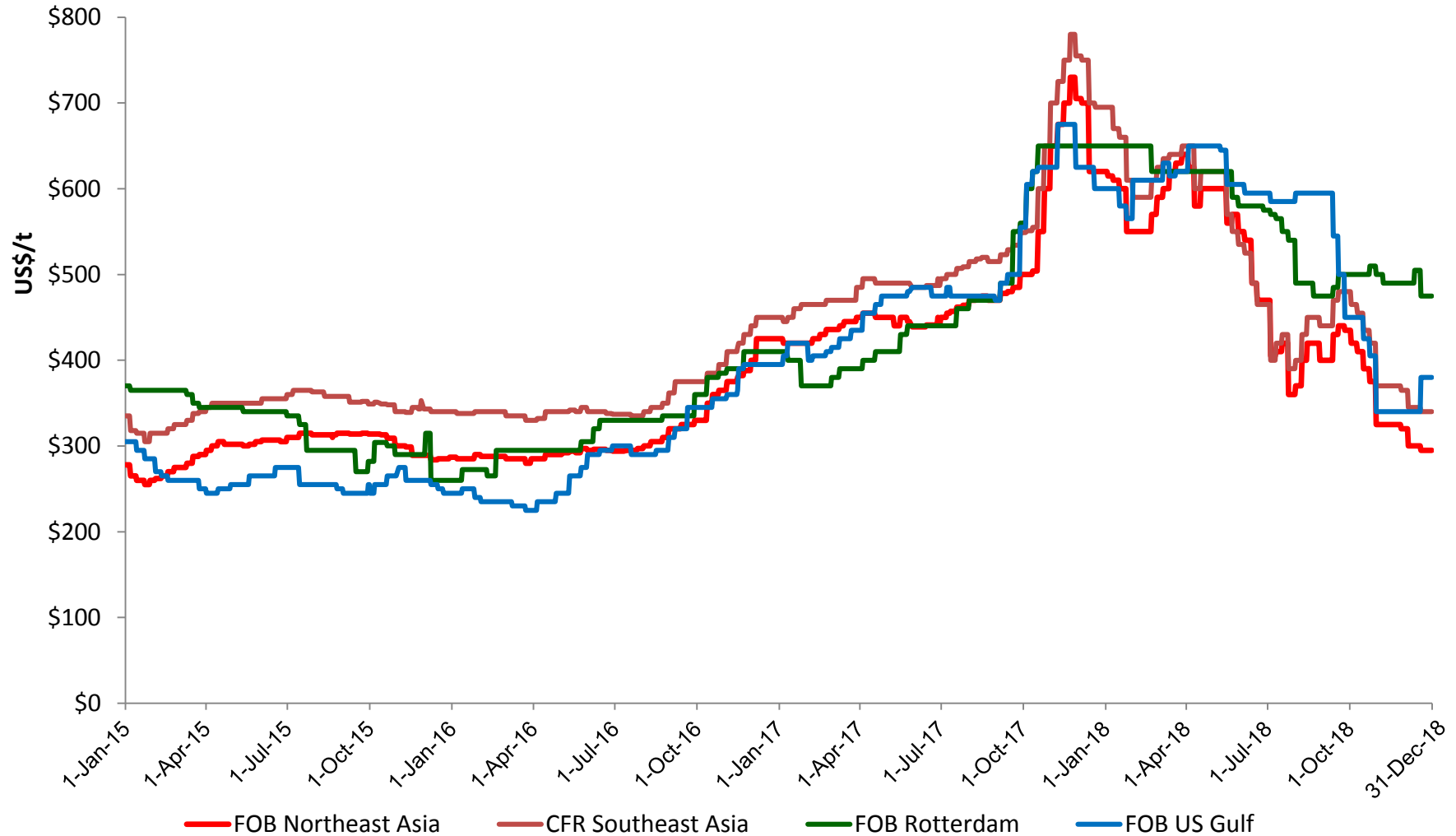
Foreign Exchange – AUD/USD



Source: Thomson Reuters, January 2019

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, January 2019

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