

## Alcoa Corp First Quarter 2019 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 results of the Bauxite and Alumina segments which include most of the AWAC operations. "Operationally the business performed well, cash costs of alumina were down and production per day was higher for both bauxite and alumina. However, a significant fall in the alumina market price caused the Adjusted EBITDA for the Alumina segment to fall to \$372 million from \$683 million in the previous quarter.

The decline in the alumina price was not unexpected and AWAC continues to generate significant positive cash flow."

### **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.*

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# Alumina Limited

- **Alcoa Corp's 1Q 2019 Bauxite and Alumina Segments' highlights**
- **Market data on commodity prices**

18 April 2019

# Disclaimer

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# Highlights

Alcoa Segments	1Q 2019	4Q 2018	Selected Highlights
<b>Adjusted EBITDA Total:</b>			<ul style="list-style-type: none"> <li>Alumina: Significantly lower alumina market prices and lower volume due to less production days were the main drags on performance and they were partially offset by lower caustic prices.</li> <li>Bauxite: Steady performance boosted slightly by better equity earnings.</li> </ul>
- Alcoa Alumina Segment	\$372m	\$683m	
- Alcoa Bauxite Segment	\$126m	\$110m	
<b>Adjusted EBITDA Margin:</b>			
- Alcoa Alumina Segment	28.3%	40.2%	
- Alcoa Bauxite Segment	41.9%	33.8%	

AWAC	1Q 2019	4Q 2018	Comments
<b>Production:</b>			<ul style="list-style-type: none"> <li>Refining: Excludes equity share of Ma'aden</li> <li>Mining: Includes wholly owned mines plus equity share of CBG and MRN</li> </ul>
- AWAC Refining Business (mt)	3.1	3.1	
- AWAC Mining Business (mbdt)	11.2	11.1	
<b>Alumina Cost and Price:</b>			<ul style="list-style-type: none"> <li>Cash Cost [includes bauxite at cost]: Lower caustic prices partially offset by higher planned maintenance costs.</li> <li>Realised Price: Significant fall in API partially offset by improved chemical grade pricing and increased percentage of API based sales</li> </ul>
- Cash Cost (\$/t production)	\$221	\$223	
- Realised Price (\$/t shipments)	\$379	\$469	

Alumina Limited	Post 31/3/2019	1Q 2019	4Q 2018	Comments
<b>AWAC Net Distributions:</b>				<ul style="list-style-type: none"> <li>The 2018 final dividend included \$193.6m of net distributions received after 31 December 2018 but prior to declaration on 21 February 2019</li> </ul>
- Alumina Limited Receipts	\$56.7m	\$213.6m	\$261.3m	
- Alumina Limited Contributions	Nil	(\$20.0m)	(\$40.0m)	
<b>Net Debt / (Cash) – Period End</b>	N/a	(\$121.3m)	(\$95.8m)	

**Important Notes:**

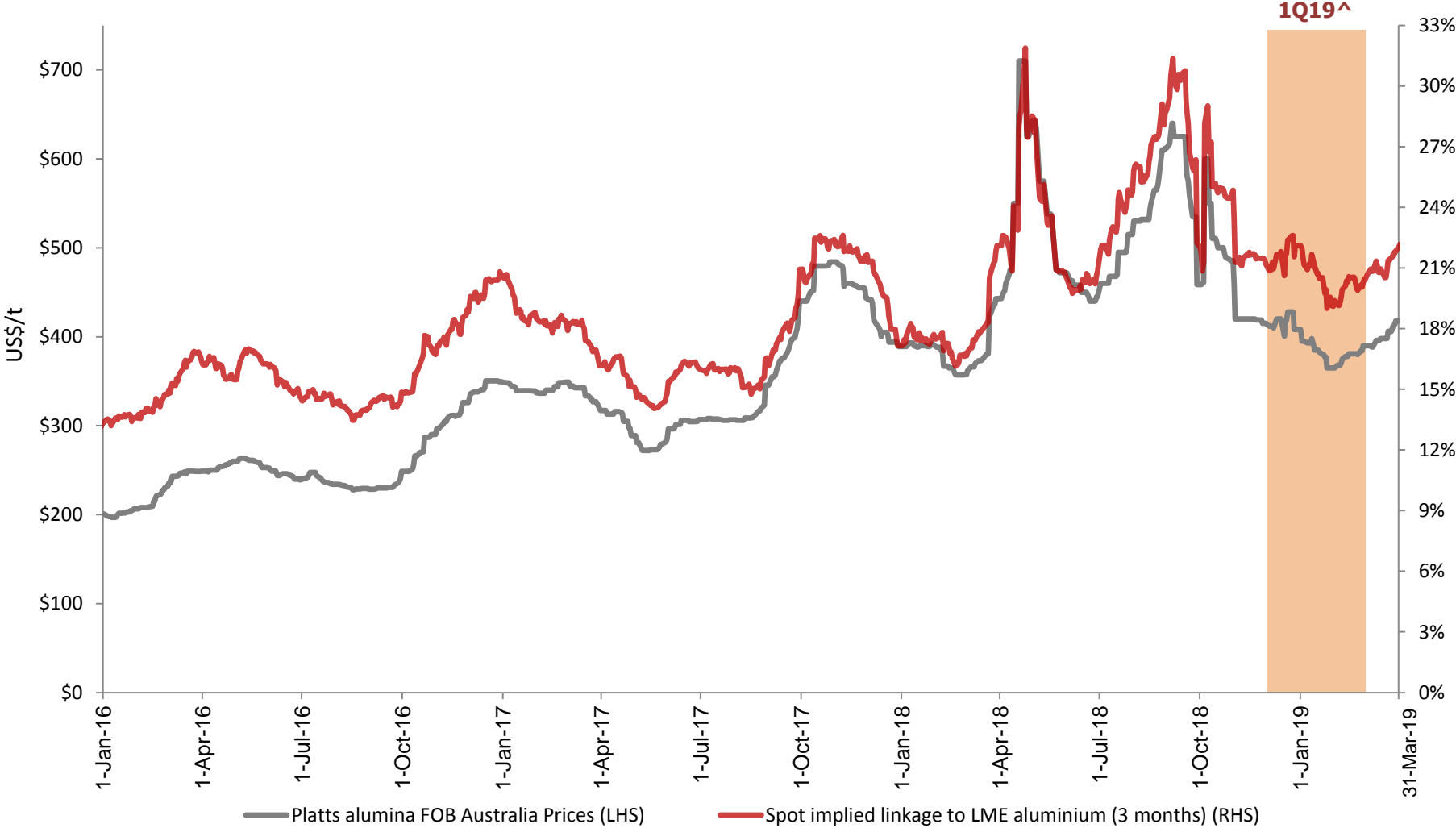
- The Alcoa Corp Bauxite and Alumina Segments include mining and refining operations at Pocos de Caldas, an additional 15% interest in the Sao Luis refinery and an additional interest in MRN which are not part of AWAC. AWAC's interest in the Portland smelter is included in the Alcoa Corp Aluminum Segment 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 2019 distribution calendar

(US\$m)

2019: No later than	Relevant AWAC Entities	Description	Distributions from AWAC	Contributions to AWAC	Included In Alumina's
20 January	All	50% of each entity's US GAAP Net Income (if positive) for 4Q of the previous calendar year	\$93.9	N/a	2018 Final Dividend
31 January	AWA LLC	Working Capital Contributions	N/a	(\$20.0)	2018 Final Dividend
20 February	All except AWA LLC	Available Cash of each entity as at 31 January	\$119.7	N/a	2018 Final Dividend
20 April	All	50% of each entity's US GAAP Net Income (if positive) for 1Q	\$56.7	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 1Q19 smelter grade alumina sales due to 1-month lag

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

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

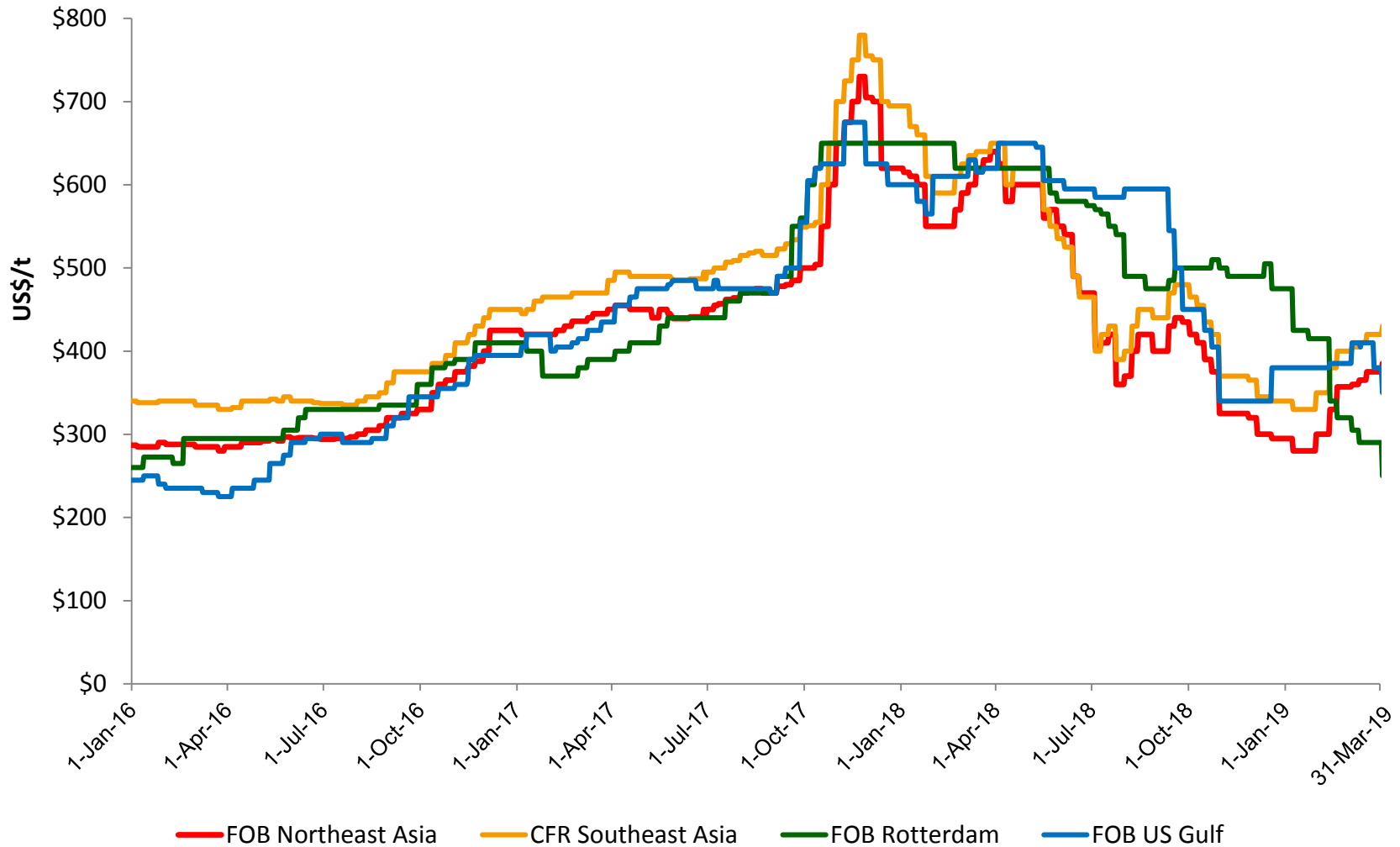
# Foreign Exchange – AUD/USD



Source: Thomson Reuters, April 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, April 2019

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