

## Alcoa Corp Third 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 Alcoa's Bauxite and Alumina segments which include most of the AWAC operations. "The highlight of both segments is the resilience of our low-cost operations that continue to deliver solid returns even in a lower alumina price environment.

"Net distributions from AWAC were slightly higher in the quarter despite lower alumina spot pricing as there was no impact in this quarter of the annual tax payment which was made in June."

### **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 3Q 2019 Bauxite and Alumina Segments' highlights
- Market data on commodity prices

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# Disclaimer

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# Highlights

Alcoa Segments	3Q 2019	2Q 2019	Selected Highlights
<b>Adjusted EBITDA Total:</b> - Alcoa Alumina Segment - Alcoa Bauxite Segment <b>Adjusted EBITDA Margin:</b> - Alcoa Alumina Segment - Alcoa Bauxite Segment	\$223m \$134m 19.6% 38.2%	\$369m \$112m 28.2% 35.8%	<ul style="list-style-type: none"> <li>Alumina: 17% fall in API only partially offset by higher production, lower AUD exchange rate and lower maintenance costs.</li> <li>Bauxite: Higher sales volumes for both internal and 3<sup>rd</sup> party sales, lower maintenance costs and improved performance at both MRN and CBG.</li> </ul>

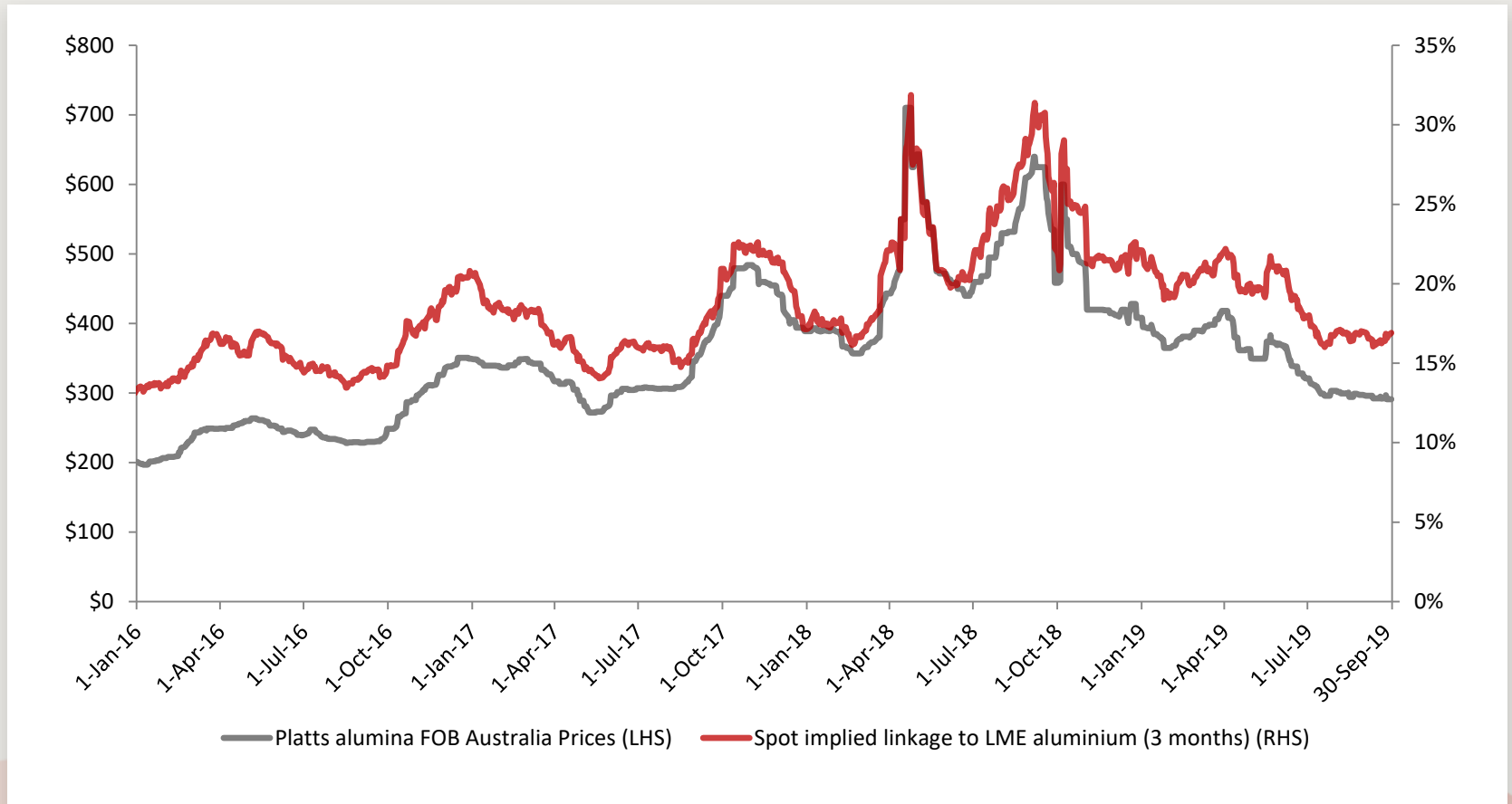
AWAC	3Q 2019	2Q 2019	Comments
<b>Production:</b> - AWAC Refining Business (mt) - AWAC Mining Business (mbdt) <b>Alumina Cost and Price:</b> - Cash Cost (\$/t production) - Realised Price (\$/t shipments)	3.2 11.5 \$203 \$311	3.1 10.8 \$216 \$371	<ul style="list-style-type: none"> <li>Refining: Excludes equity share of Ma'aden</li> <li>Mining: Includes wholly owned mines plus equity share of CBG and MRN</li> <li>Cash Cost [includes bauxite at cost]: Lower caustic soda and weaker currency combined with higher tons produced.</li> <li>Realised Price: Driven by API price lower by \$66 /t quarter on quarter.</li> </ul>

Alumina Limited	Post 30/9/2019	3Q 2019	2Q 2019	Comments
<b>AWAC Net Distributions:</b> - Alumina Limited Receipts - Alumina Limited Contributions <b>Net Debt / (Cash) – Period End</b>	\$36.9m Nil N/a	\$101.6m (\$20.0m) \$124.4m	\$72.6m (\$0.8m) \$54.7m	<ul style="list-style-type: none"> <li>The 2019 interim dividend included \$66.0m of net distributions received after 30 June 2019 but prior to declaration on 23 August 2019</li> <li>During 3Q 2019 there was a cash payment of approximately US\$20m for the Cross Currency Interest Rate Swaps associated with the repurchase of the A\$ Medium Term Notes</li> </ul>

# 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	\$56.6	N/a	2019 Interim Dividend
20 May	All except AWA LLC	Available Cash of each entity as at 30 April	\$16.0	N/a	2019 Interim Dividend
20 July	All	50% of each entity's US GAAP Net Income (if positive) for 2Q	\$57.7	N/a	2019 Interim Dividend
31 July	AWA LLC	Working Capital Contributions	N/a	(\$20.8)	2019 Interim Dividend
20 August	All except AWA LLC and AWAB	Available Cash of each entity as at 31 July	\$28.3	N/a	2019 Interim Dividend
20 September	AWAB	Available Cash of each entity as at 31 July	\$15.6	N/a	2019 Final Dividend
20 October	All	50% of each entity's US GAAP Net Income (if positive) for 3Q	\$36.9	N/a	2019 Final Dividend
31 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

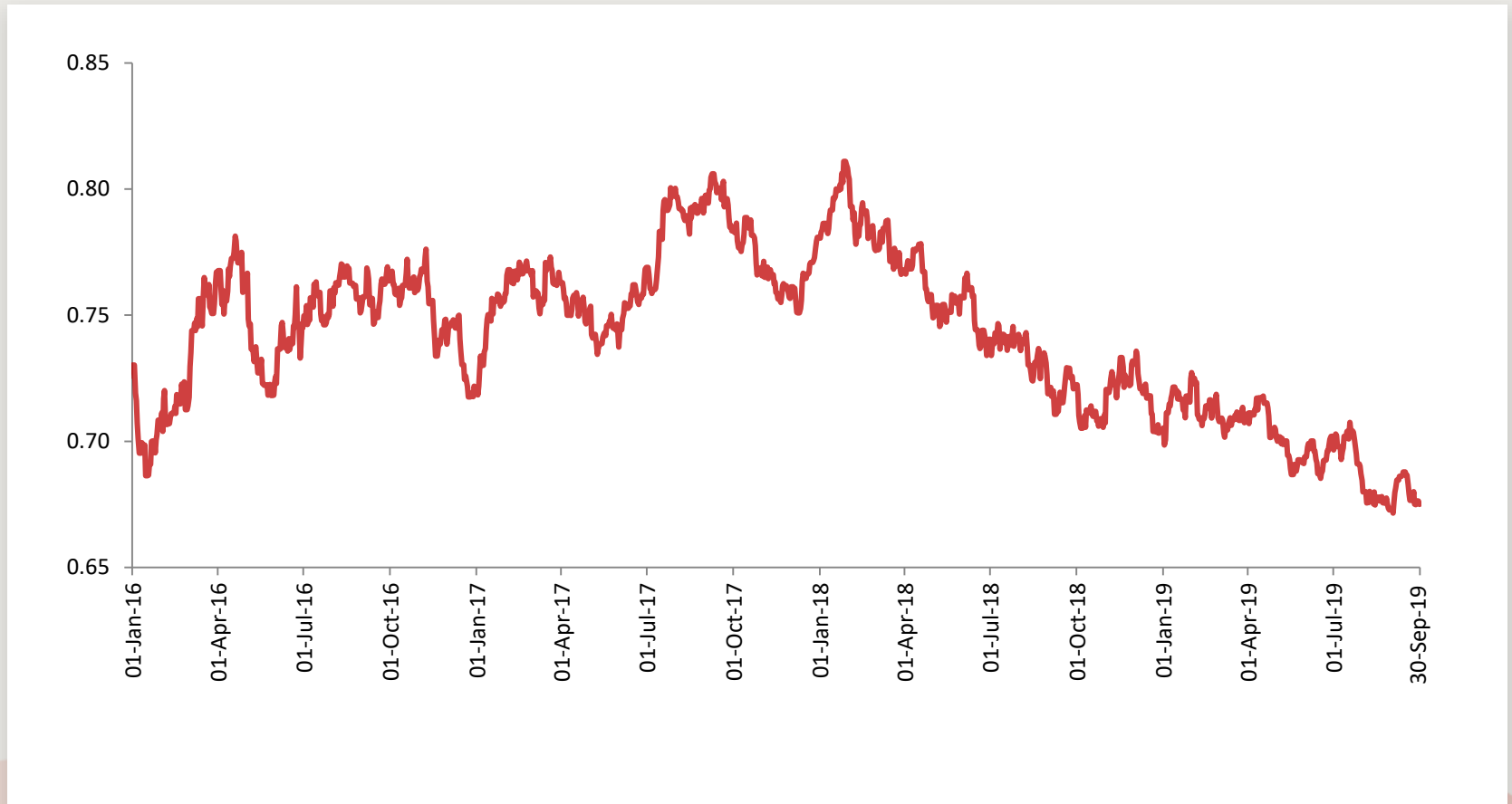
# Spot alumina & implied linkage



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

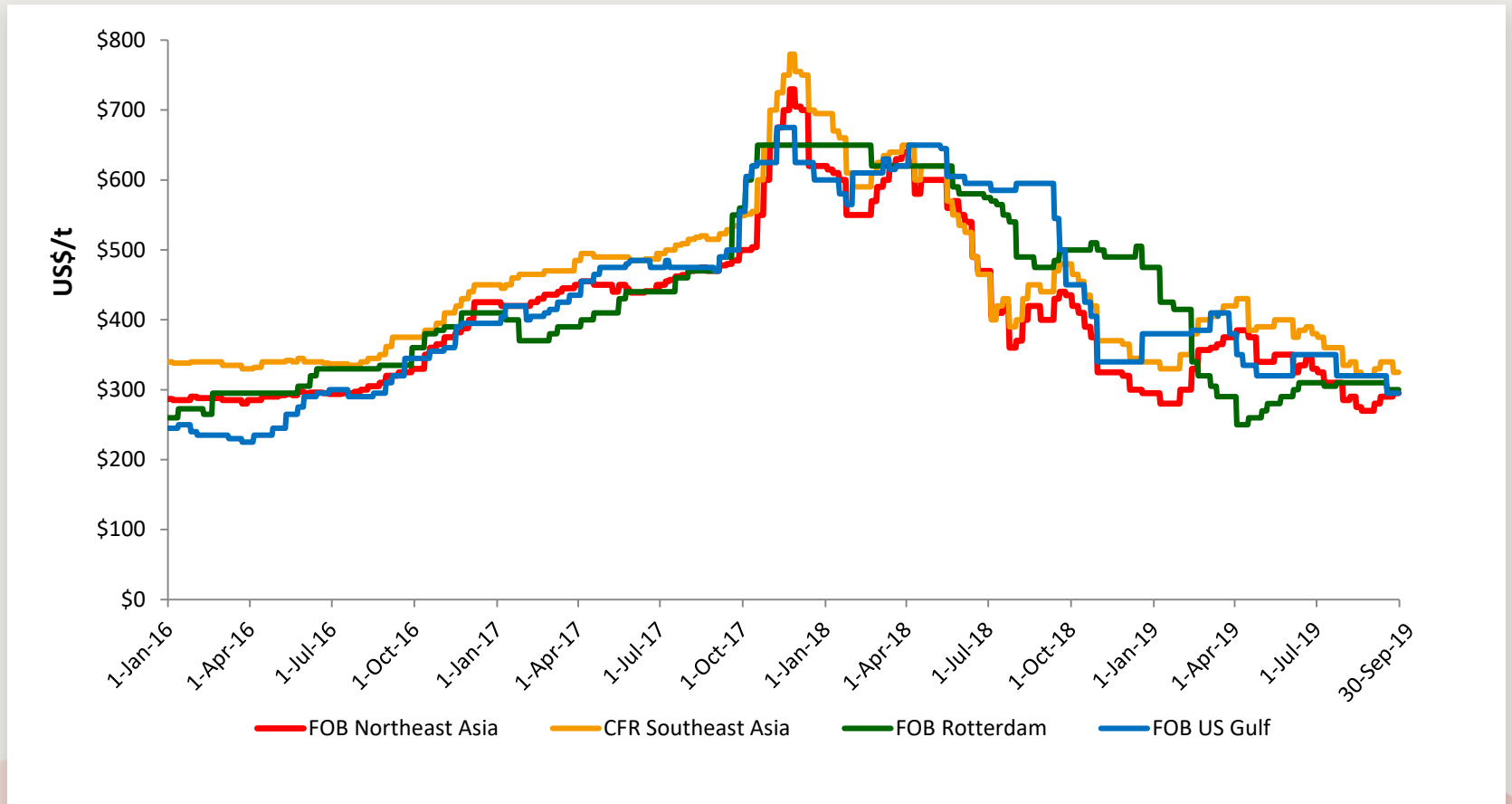


Source: Thomson Reuters, October 2019

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# Caustic soda



Source: S & P Global Platts, Oct 2019

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