Alumina Limited
2007 Full Year Results

John Marlay
Chief Executive Officer

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Chief Financial Officer

31 January 2008

Highlights

- NPAT - A$436 million
- Underlying Earnings – A$406 million
- ROE - 25.5%
- Final dividend - 12¢ fully franked
- Underwritten DRP introduced for 2008 dividends
- Aluminium and alumina markets growing strongly

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Disclaimer

Some statements in this release are forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. Forward-looking statements also include those containing such words as "anticipate", "estimates", "should", "will", "expects", "plans" or similar expressions. Forward-looking statements involve risks and uncertainties that may cause actual outcomes to be different from the forward-looking statements. Important factors that could cause actual results to differ from the forward-looking statements include: (a) material adverse changes in global economic, alumina or aluminium industry conditions and the markets served by AWAC; (b) changes in production and development costs and production levels or to sales agreements; (c) changes in laws or regulations or policies; (d) changes in alumina and aluminium prices and currency exchange rates; and (e) the other risk factors summarised in Alumina's Form 20-F for the year ended 31 December 2006

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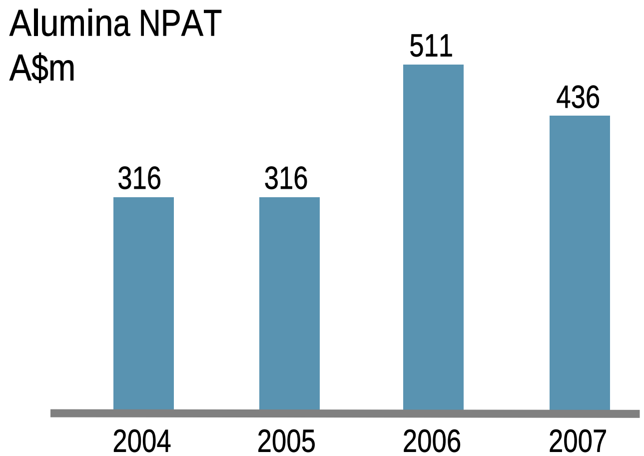
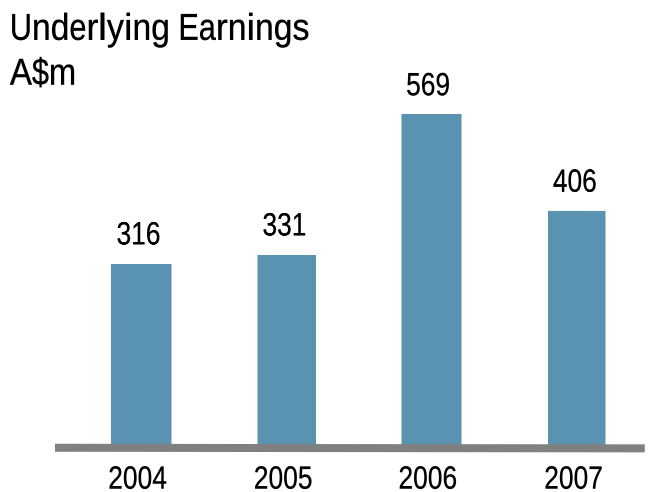
2007 Results

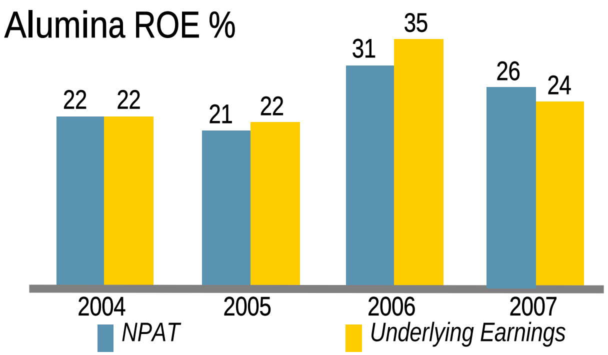
Margins Reduced on Higher Operating Costs

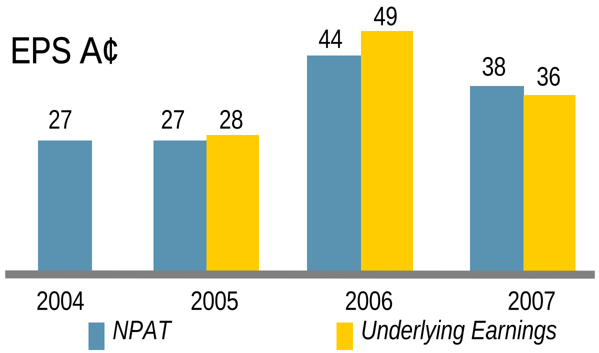


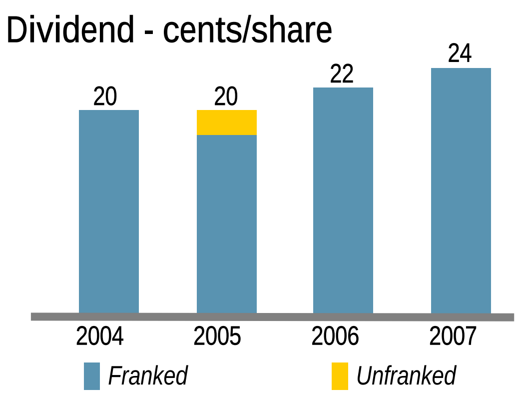


- NPAT A$436 ↓ 15%
- Underlying Earnings of A$406m ↓ 29%
- Realised alumina and metal prices higher
- Stronger A$ impact
- Higher AWAC operating costs

2007 ROE, EPS and Dividends







- ROE (underlying) - 24%, remains strong
- Earnings impacted by lower margins
- Fully franked 12¢ final dividend

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NPAT - Underlying Earnings Reconciled

	2007	2006
NPAT * (A$m)	437	511
Employee Retirement Benefit Obligations	(39)	(6)
Embedded Derivatives	8	64
Underlying Earnings	**406**	**569**

* Net profit After Tax calculated according to AIFRS

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Alumina 2007 – Major Cash Movements

	A$ million
AWAC Dividends received	445
Increase in borrowings	487
Investment in AWAC growth	(489)
Buy-Back	(250)
Dividends Paid	(276)

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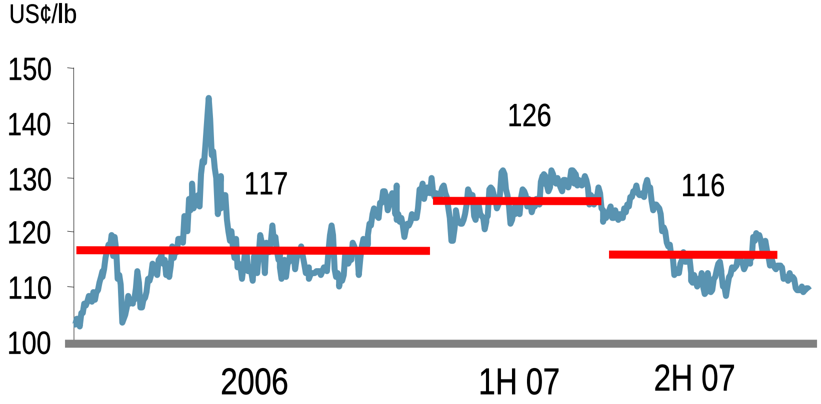
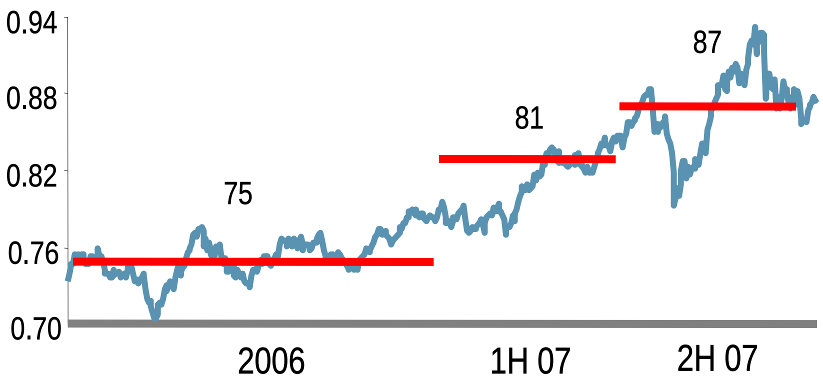
Aluminium Price and Exchange Rate

LME Aluminium Price (3 month)

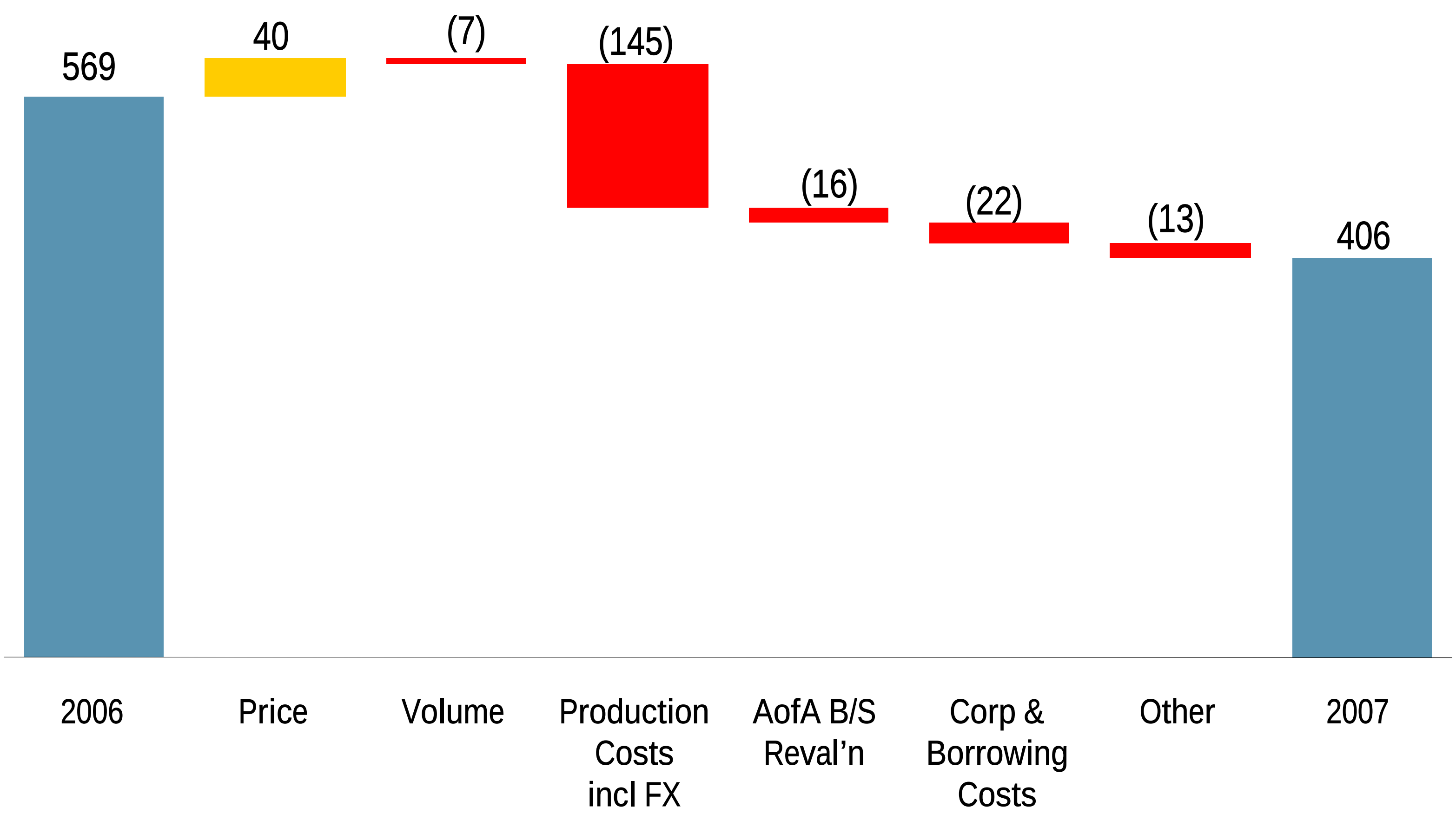


A$ / US$ Exchange Rate



- LME price - 3.4% higher than 2006
- Average A$/US$ exchange rate increased 9¢ to 84¢

Alumina Underlying Earnings 2006 to 2007



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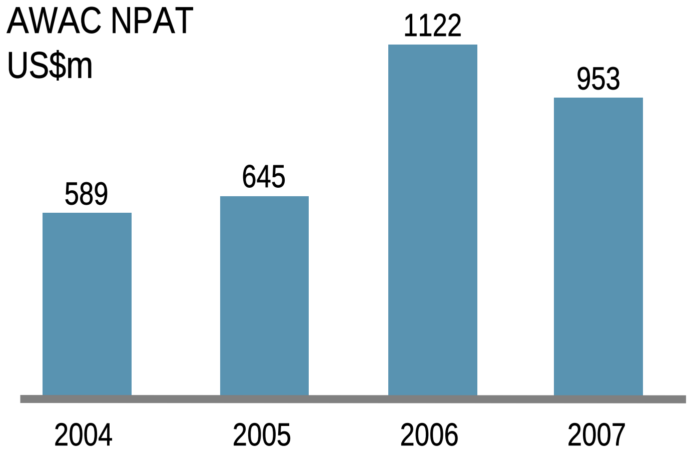
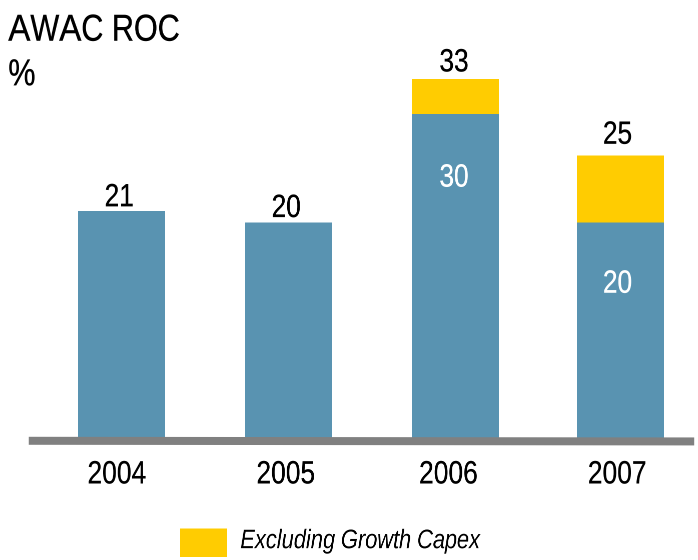
AWAC Financials



- NPAT US$953m ↓15%



- ROC – 25% (excluding growth capex)
- Brazil growth projects and Jamaica expansion driving higher capex
- Investing in low cash operating cost capacity – AWAC long term growth strategy

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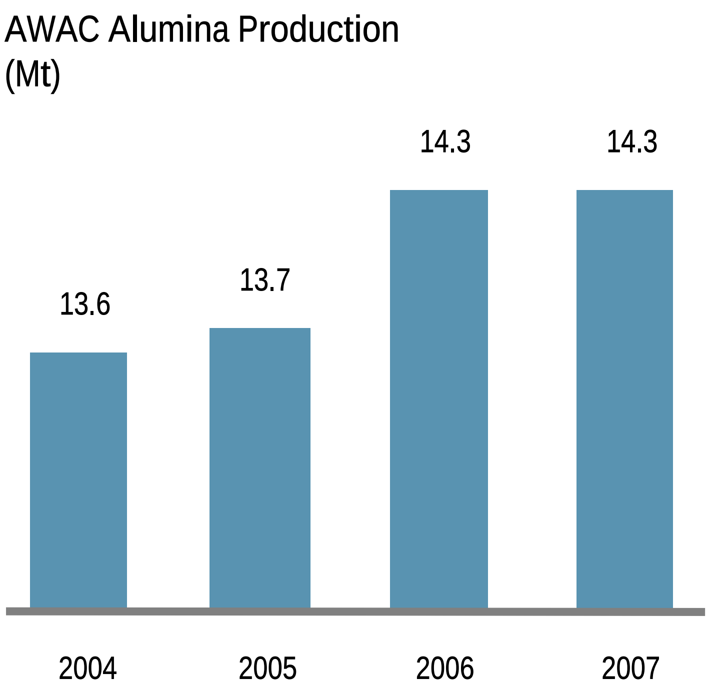
AWAC Operations – 2007



- Alumina production - in line with 2006
- Capacity disruptions impact production and costs
- Operating costs up US$32/tonne - energy, freight, maintenance and foreign exchange impacts
- Jamalco - 146ktpa capacity increase (100% AWAC)
- Production records - Pinjarra, Wagerup, Suriname, Sao Luis

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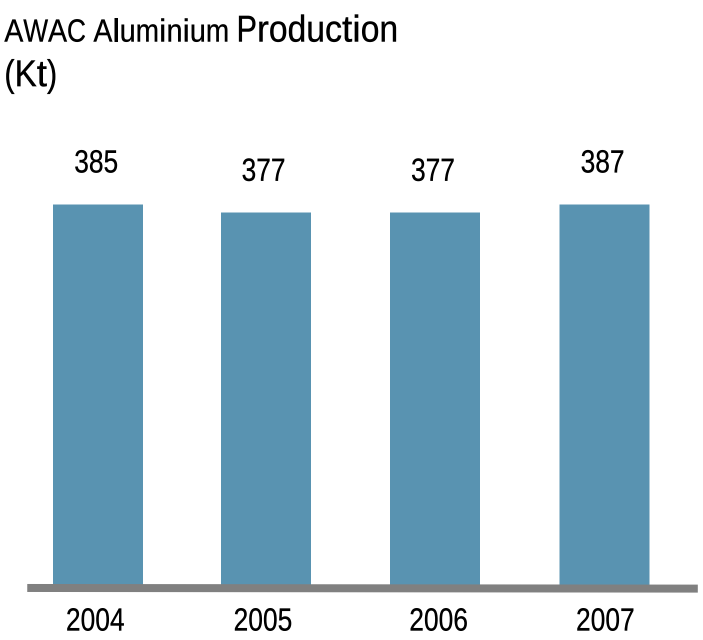
AWAC Operations – 2007



- Metal - record production at 387k tonnes
- Higher power and alumina prices
- Point Henry furnace replacement - project on time and capex budget

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Alumina 2008 Capital Management

- 100% dividend payout by AWAC
- Maximise distribution of franking credits
- Underwritten Dividend Reinvestment Plan
- Growth capex funding – US$480m
- Additional debt funding

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2008 Outlook

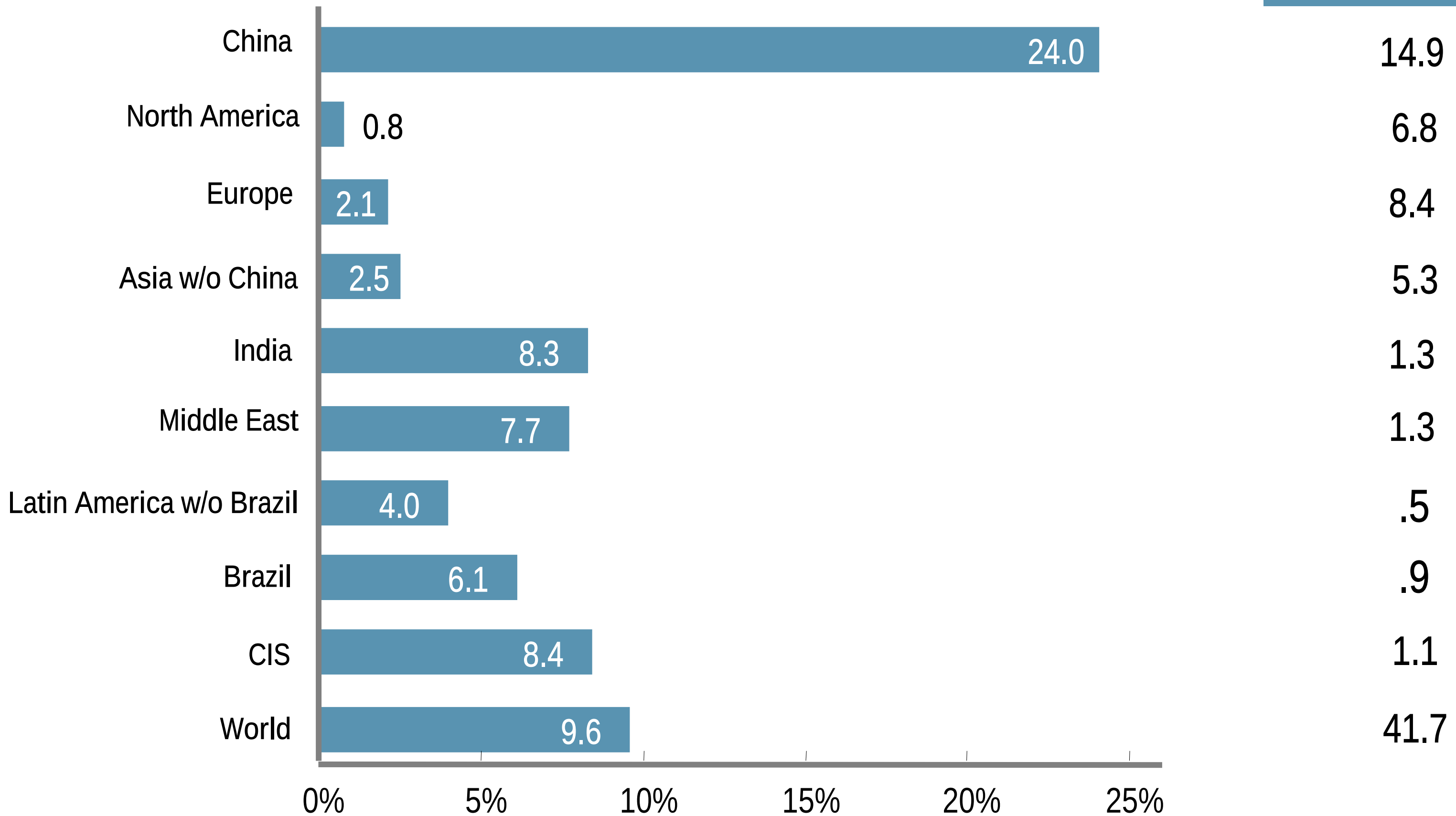
Market Update – Aluminium

- Global demand forecast to grow strongly – approx 10% through 2008
  - Chinese domestic consumption growth – approx 24%
  - emerging economies' growth – 4-9%
  - western world growth – approx 2%
- Aluminium market projected in a small surplus in 2008
- LME prices expected to remain robust

Aluminium Consumption Growth Rates

2008 Projected Growth Rates

2008 Projected Consumption (MT)



Source: Alcoa – Jan 2008

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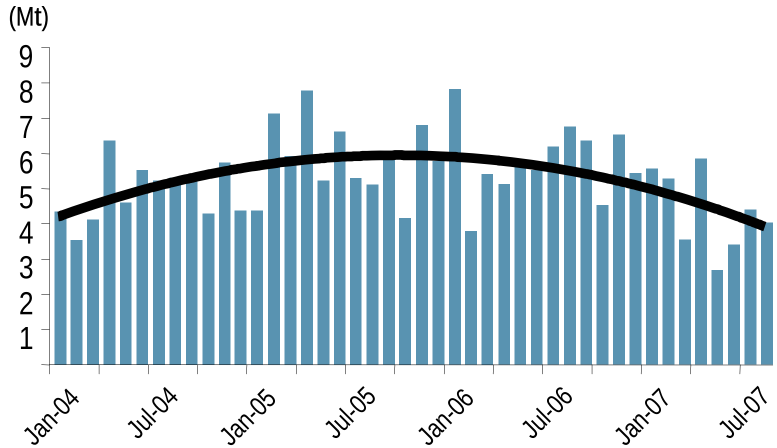
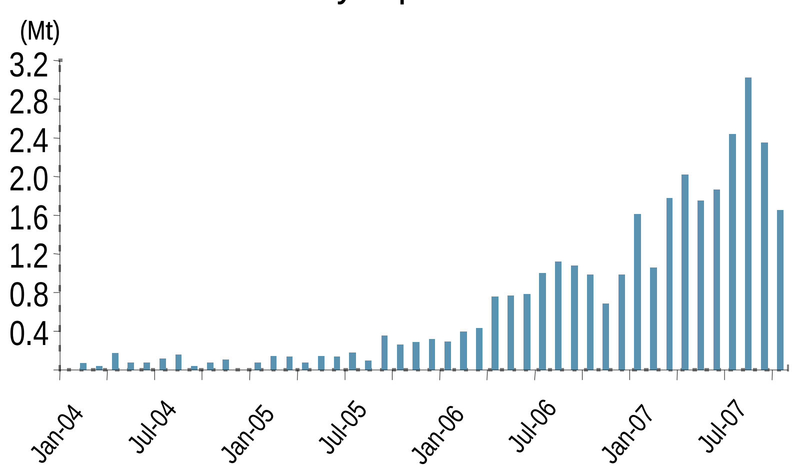
Market Update – Alumina

Chinese Alumina Monthly Imports



Source: Antaike

Chinese Bauxite Monthly Imports



Source: Antaike

- Alumina markets forecast to be in modest oversupply, up to 1m tonnes in 2008
- Timing of new Chinese alumina refining capacity - key supply uncertainty
- 2008 industry cost environment - higher energy, raw material inputs, and currency impacts

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AWAC – 2008 Outlook

- AWAC long term alumina contracts
  - indexed to both LME cash and 3 month primary metal price
  - prices, lag published indices by 30-60 days, on average
- Production and shipments forecast – 14.8m tonnes
- AWAC third party contracts – improving pricing terms
- Operating costs – energy prices, freight rates and caustic pricing, exchange rates, forecast to add approx US$24/tonne
- 2008 capex forecast – US$1.6 billion
  - growth project spending – approx US$1.2 billion
- Metal production and shipments – similar to 2007

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Brazil Growth Projects

- Alumar expansion (AWAC - 1.1mtpa)
  - construction approx 2/3 complete
  - project schedule - initial production in 1Q 2009
- Juruti bauxite - initial capacity 2.6mpta
  - port and mine processing facilities well advanced
  - first bauxite production year end 2008
  - includes infrastructure for higher capacity
- Capex revised for Brazil currency appreciation
  - total capex - approx US$2.5 billion

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AWAC Growth Projects

- Wagerup - 2+mtpa
  - preliminary engineering for expansion continuing
  - pre-feasibility phase extended into 2008
  - highly attractive AWAC expansion opportunity
- Guinea greenfield refinery feasibility
  - site selected
- Vietnam greenfield bauxite/refining
  - pre-feasibility evaluation

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Alumina – 2008 Earnings Guidance

- In addition to guidance on AWAC production and costs, Alumina Limited's 2008 underlying earnings to reflect:
  - US one cent movement in the average 3-month LME aluminium price is expected to impact underlying earnings by approximately A$11 million
  - each one cent movement in the average Australian dollar/ US dollar exchange rate is expected to impact underlying earnings by approximately A$12 million
  - Alumina Limited borrowing costs increase approx A$25-30m

Based on 2007 Alumina Limited underlying earnings of A$406 million, 2007 average LME US$1.21/lb and A$/US$ of 0.84

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Aluminium Industry Fundamentals are Strong

- Consumption projected to double by 2020 – driven by China
- Supply growth required – 3x growth rate in past 20 years
- A new cost environment
  - Higher raw material costs
  - Increasing energy prices
  - Currency appreciation
  - Construction cost escalation
  - Supply chain constraints
- High cost marginal production capacity
- Support a high price environment

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Summary

- Aluminium and alumina growth fundamentals are strong
- AWAC alumina sales and production increase
- Continued industry cost pressures
- Investing in AWAC alumina and bauxite capacity growth

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Questions