

To: The Manager
Announcements
Company Announcements Office
Australian Stock Exchange



Public Announcement 2007 – 28AWC

Attached is a copy of a presentation to be made to analysts and investors by Alumina Limited's CEO Mr John Marlay at the University Club of Western Australia on Monday, 22 October.

A handwritten signature in black ink, appearing to read "Stephen Foster".

Stephen Foster
Company Secretary

22 October 2007

Alumina Limited

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Outlook for Aluminium

John Marlay
Chief Executive Officer

22 October 2007



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

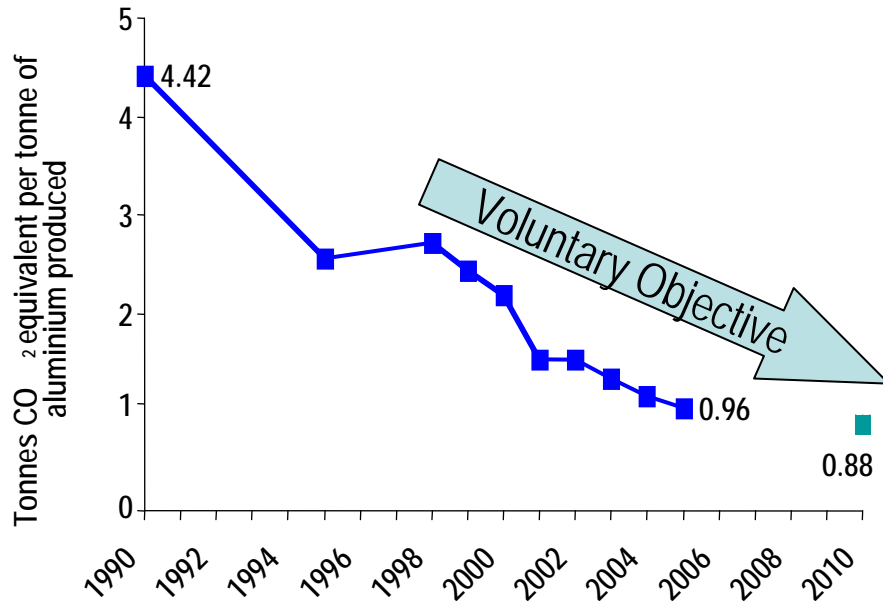


Aluminium Industry Dynamics

- ▶ Rapid growth in global consumption
- ▶ China – driving strong global consumption
- ▶ Brazil, India, Russia – also growing strongly
- ▶ New capacity growth – capital cost escalation
- ▶ Energy – higher long term costs, plus carbon
- ▶ Alumina and aluminium cost curves have moved up
- ▶ Bauxite supply capacity – now stretched
- ▶ Prices – long term strength

Aluminium & GHG Emissions

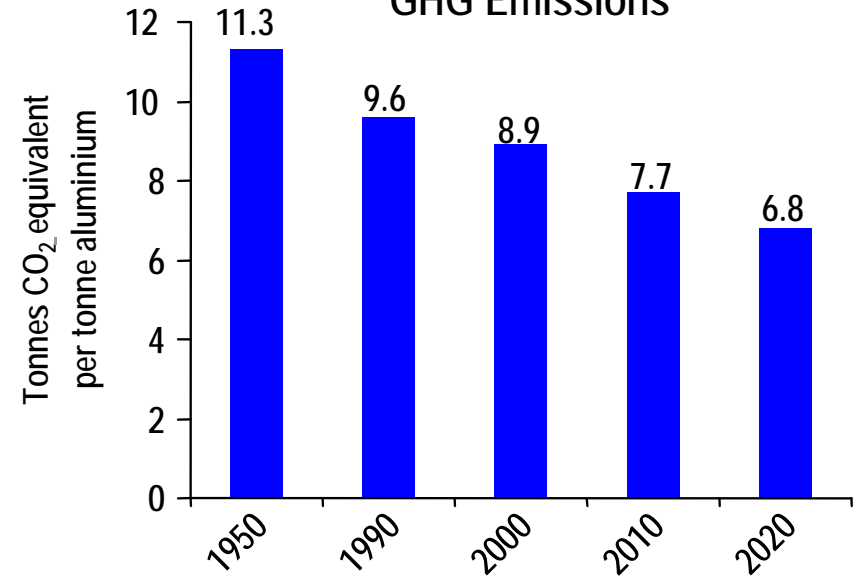
PFC Emissions Down 76%



Source: IAI

- ▶ Target – 80% reduction from 1990 levels

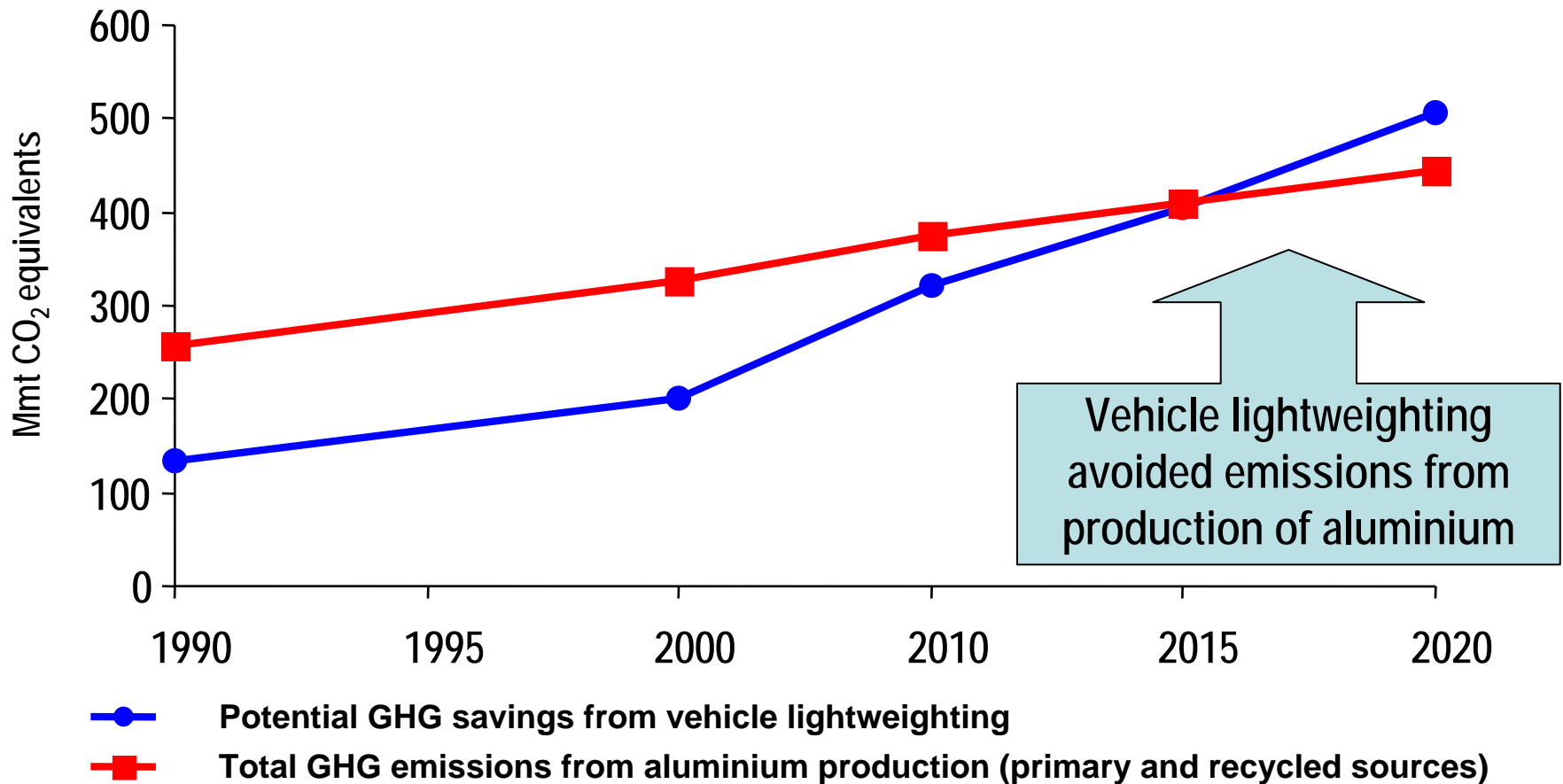
Aluminium Products – Declining GHG Emissions



GHG intensity of aluminium shipments - Source: IAI

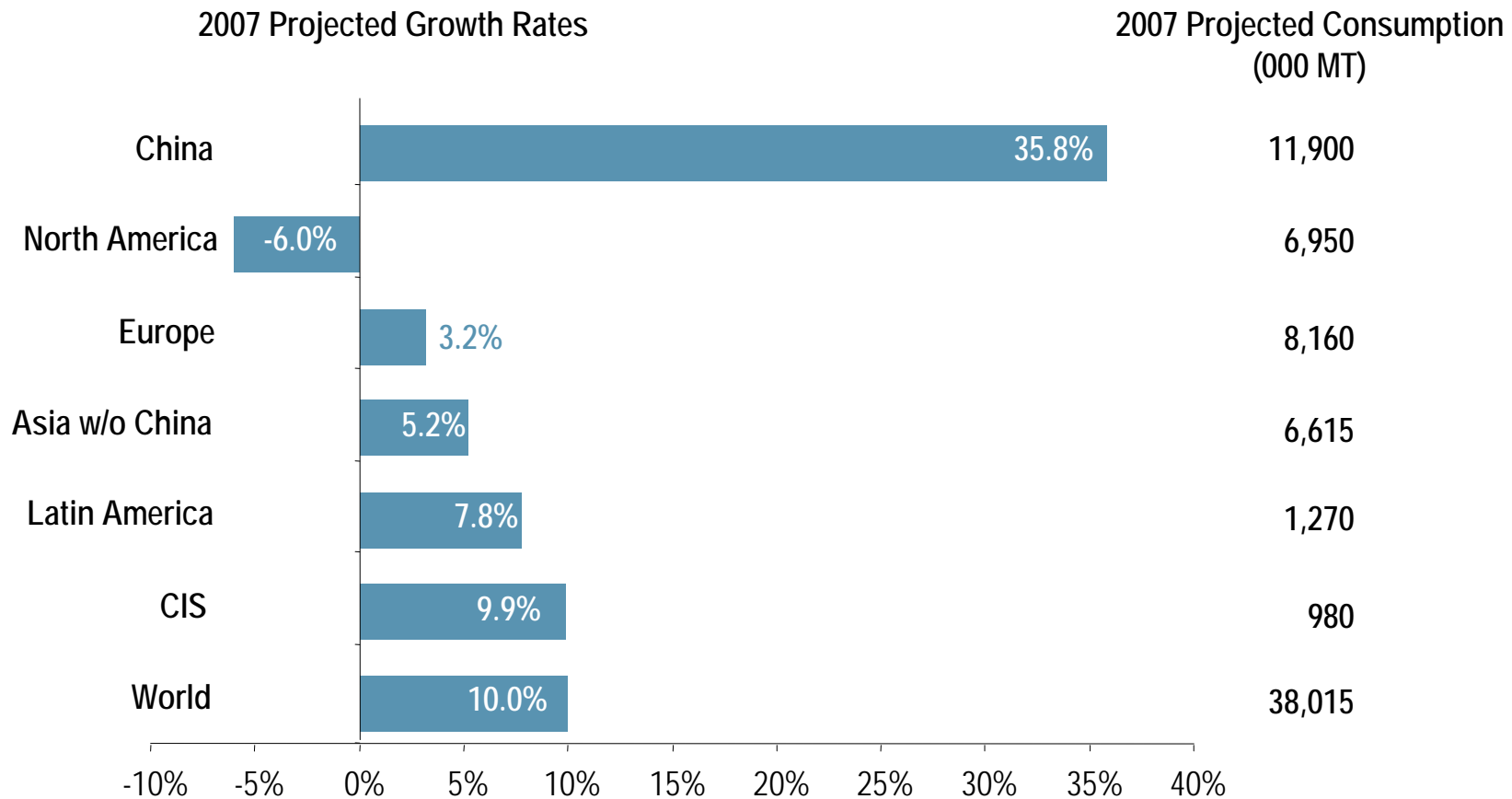
- ▶ Lower emissions from smelters
- ▶ Improved energy efficiency
- ▶ Increased use of recycled metal

Vehicle lightweighting – emissions reductions offset primary aluminium emissions



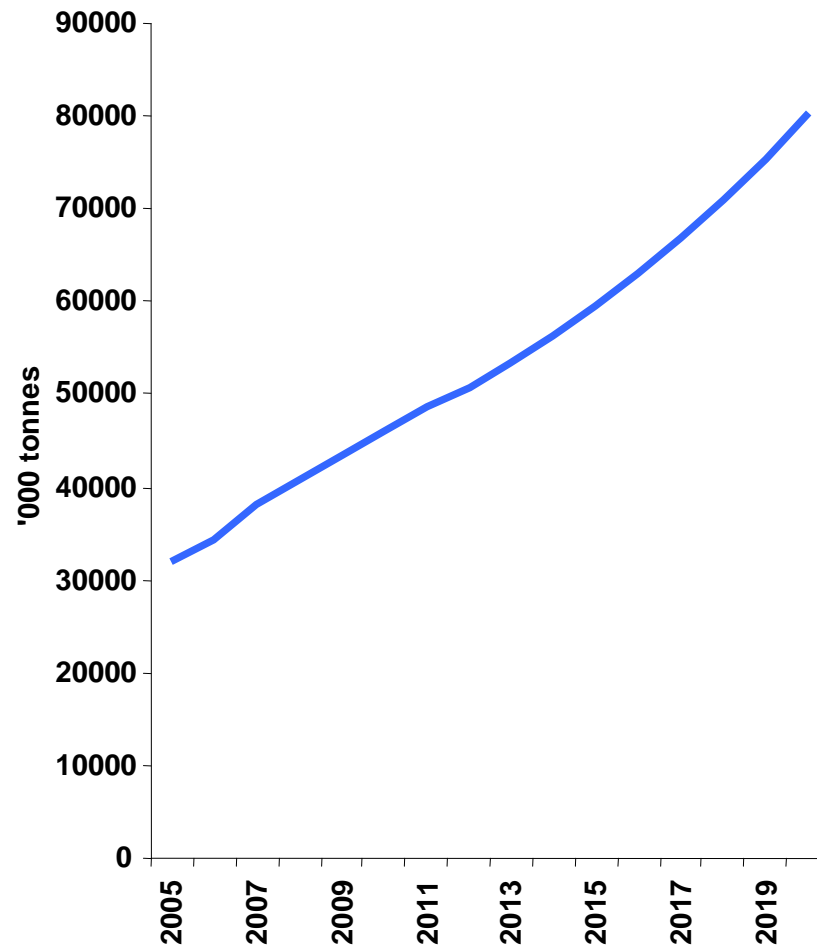
Source: IAI

Demand growth – more than just China



Source: Alcoa, October 2007

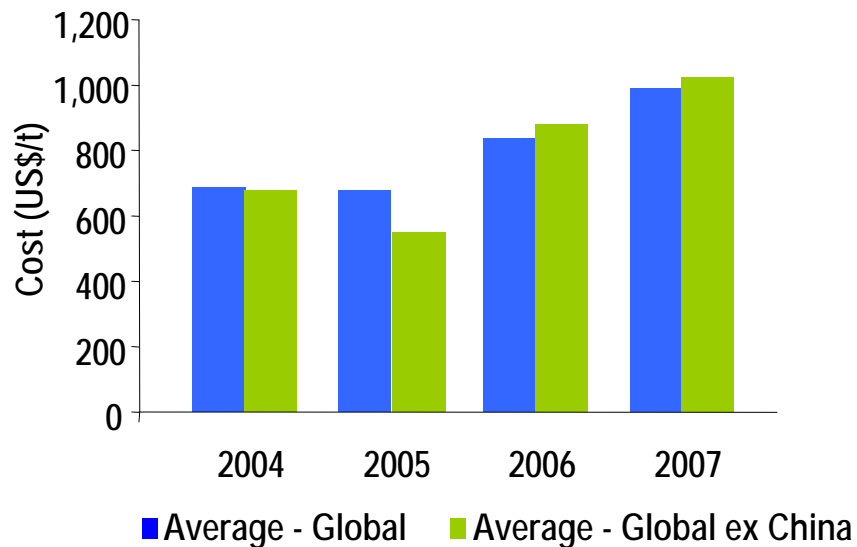
Global Aluminium Demand – forecast to double by 2020



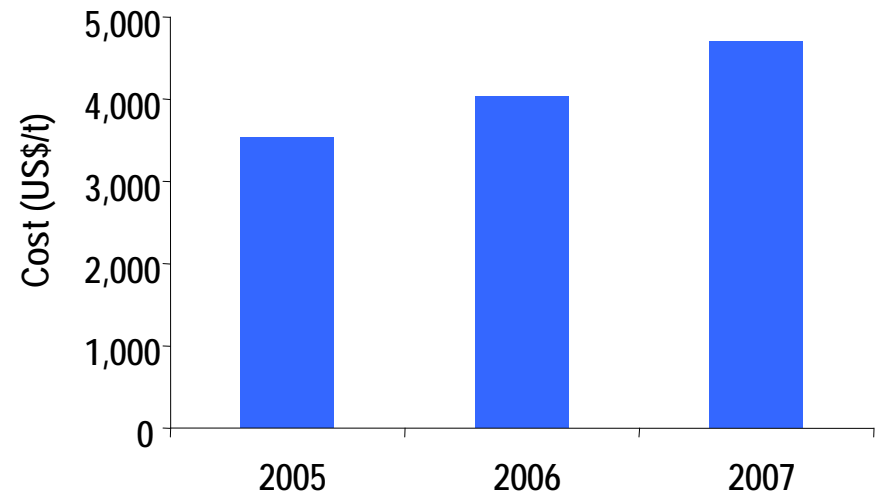
Source: WBMS, Macquarie Research, July 2007

Rising costs of new capacity

Average Cost Per Tonne of
Alumina Capacity
(2004-2007)



Average Cost Per Tonne of
Aluminium Capacity
Global Average (2005 - 2007)



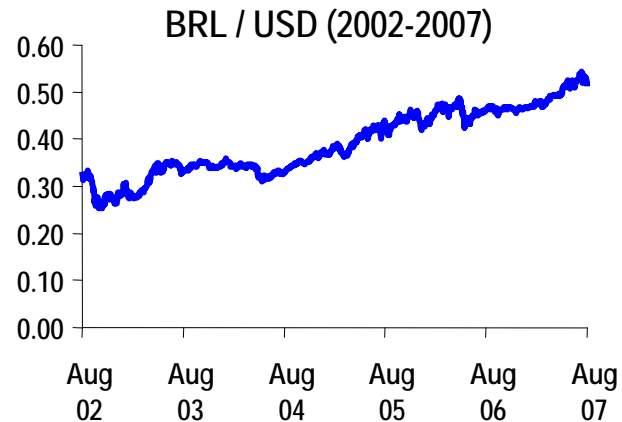
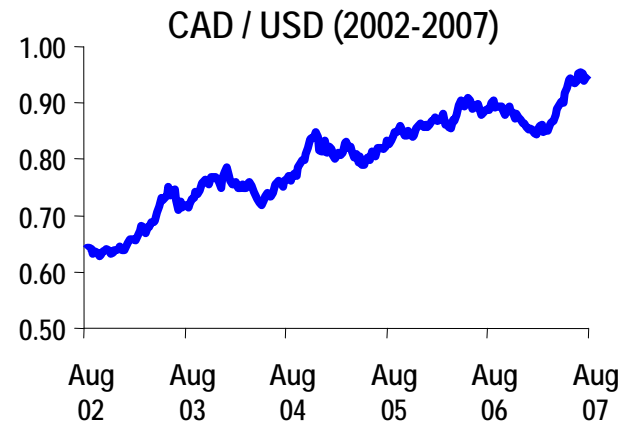
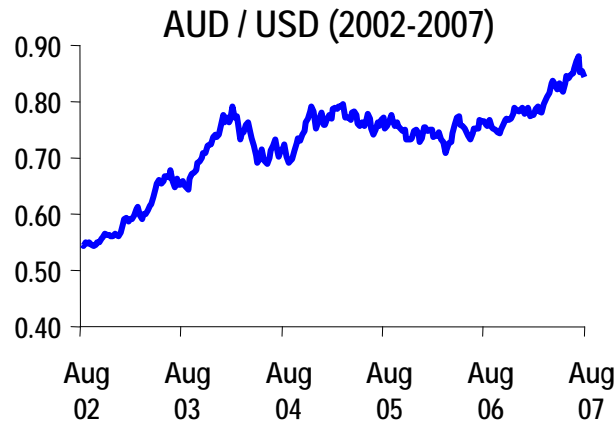
Source: Industry Periodicals



A new world order on energy

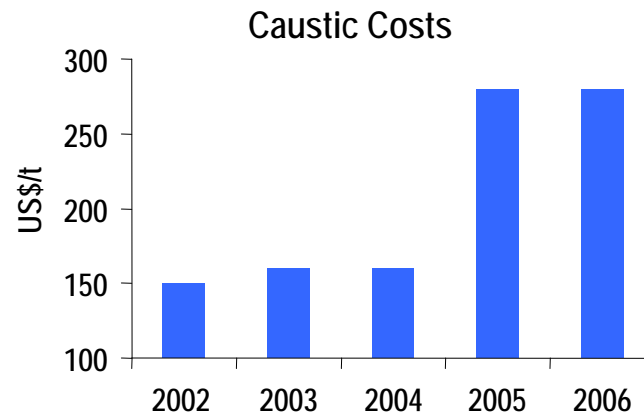
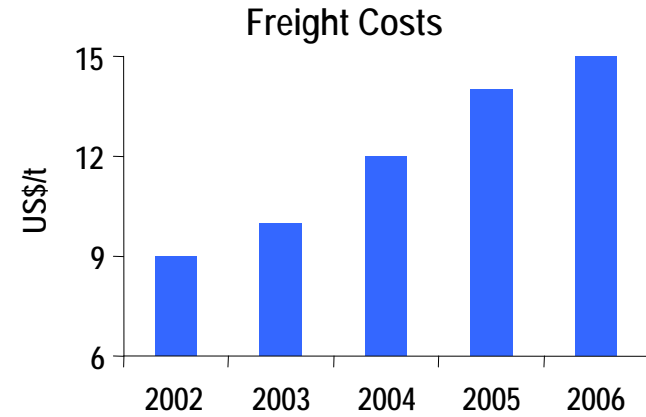
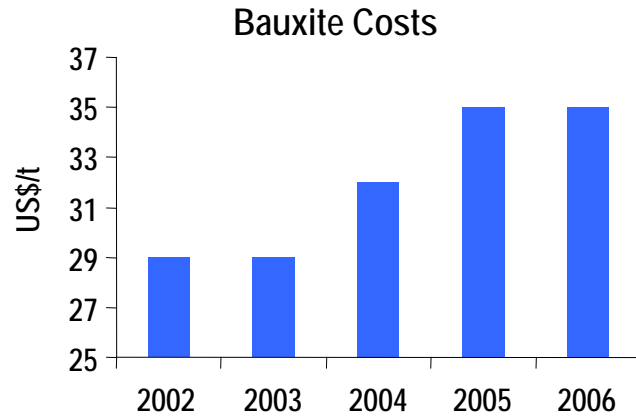
- ▶ Increasing impact of CO₂e
- ▶ Lifting the cost curve for alumina/aluminium
- ▶ Smelters migrating to stranded power sources
- ▶ Aluminium in demand for lightweighting

AUD, CAD and BRL – stronger against USD



Source: Bloomberg, IRESS

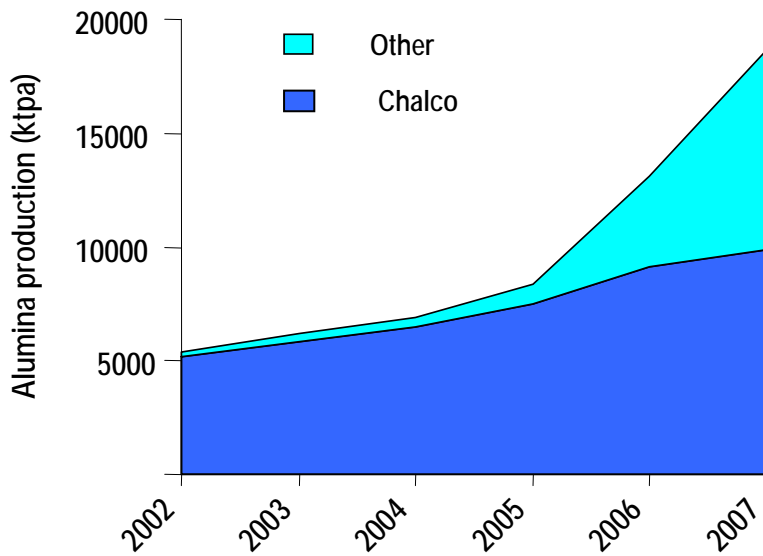
Alumina refinery input costs



Source: Brook Hunt

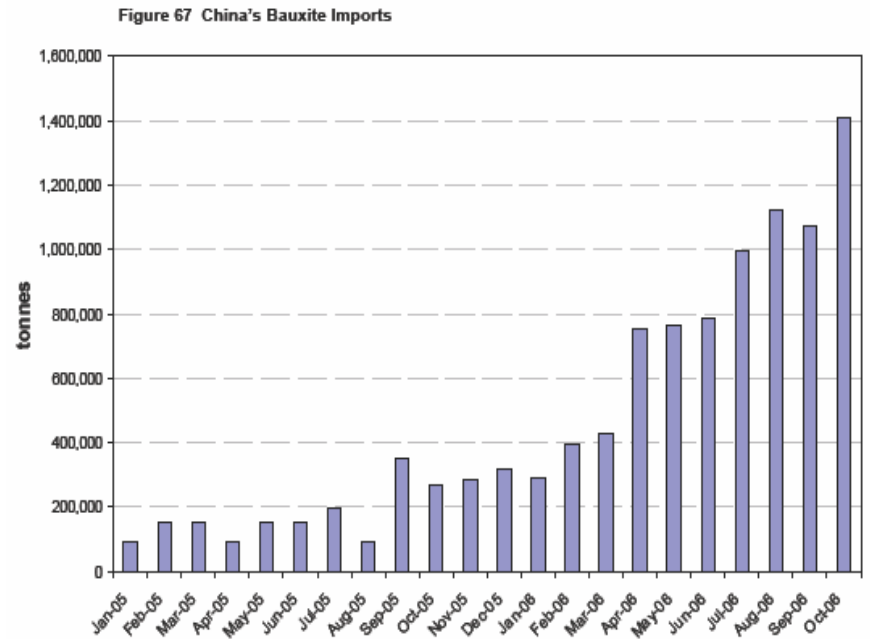
China demand driving tight bauxite market

China's Alumina Production



Source: Brook Hunt

China's Bauxite Imports



Source: Chinese Customs Data



Higher long term aluminium prices

- ▶ Driven by 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



Aluminium industry fundamentals are strong

- ▶ Consumption projected to double by 2020
- ▶ Consumption growth driven by China
- ▶ Supply growth required – 3x growth rate in past 20 years
- ▶ Industry consolidation drivers:
 - long life, quality bauxite
 - sustainable low cash cost position
 - long term, low cost energy

AWAC is well positioned to grow



- ▶ Approx 19% of global refining capacity
- ▶ Long life, quality bauxite resources
- ▶ Low operating cost
- ▶ Production close to major markets
- ▶ Long term supply contracts with blue chip customers



Alumina Market Update

- ▶ Alumina market
 - Balanced to modest surplus through 2007
 - Slower ramp up of brownfield capacity expansions
- ▶ China alumina production capacity growth continues, imports of alumina remain robust
- ▶ Spot alumina prices reflect more balanced supply/demand
- ▶ Traded bauxite market remains tight

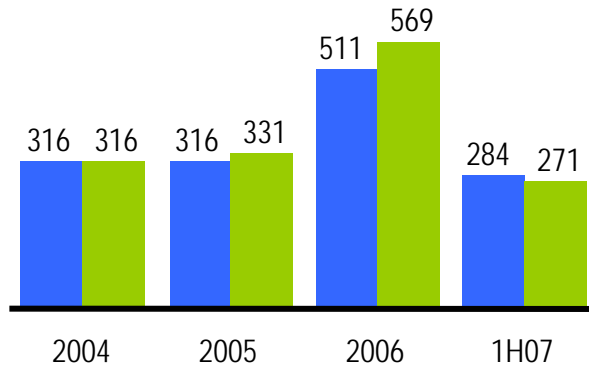


AWC 2007 Outlook

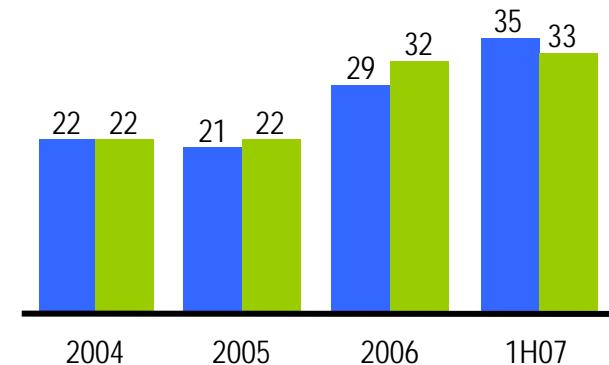
- ▶ AWAC alumina prices to follow approx 60 day lag to LME price
- ▶ AWAC production – approx 2% higher in second half
- ▶ 2H 2007 – stronger A\$ and higher energy costs
- ▶ Hurricane Dean impact for Jamalco, AWAC bauxite mine development costs – approx A\$14m in 2H 2007 (AWC NPAT basis)

Alumina Limited – proven performance

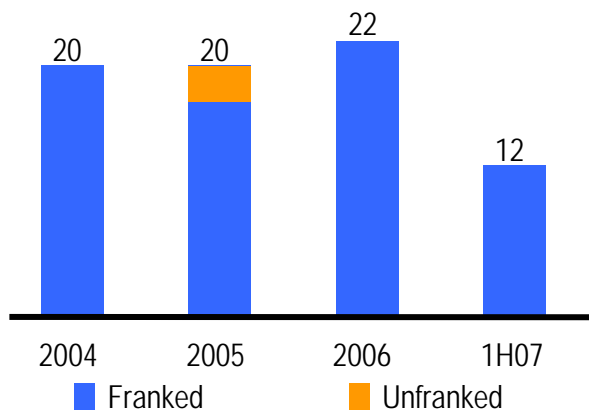
Underlying Earnings / NPAT A\$M



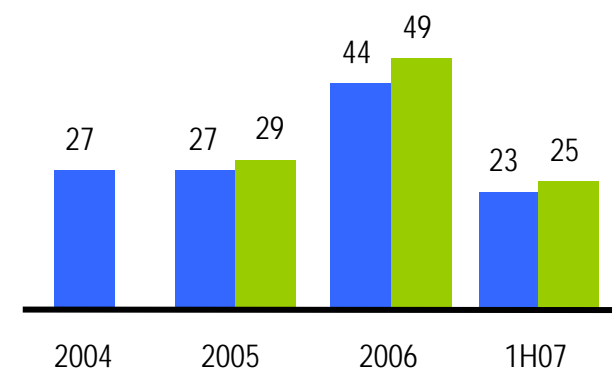
ROE %



Dividends cents/share



EPS Ac



■ NPAT
■ Underlying Earnings



ALUMINA
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Questions