

To: The Manager
Announcements
Company Announcements Office
Australian Stock Exchange Limited



Public Announcement 2007 – 24AWC

Attached is a presentation relating to Alumina Limited's Half Year Results for the 6 months ended 30 June 2007:

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

Stephen Foster
Company Secretary

1 August 2007

Alumina Limited

ABN 85 004 820 419

GPO Box 5411
Melbourne Vic 3001
Australia

Level 12 IBM Centre
60 City Road
Southbank Vic 3006
Australia

Tel +61 (0)3 8699 2600
Fax +61 (0)3 8699 2699
Email info@aluminalimited.com



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Half Year Results

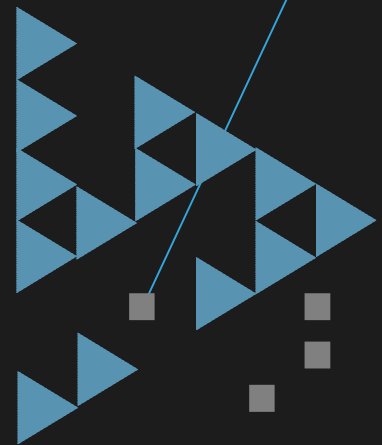
1 August 2007

John Marlay
Chief Executive Officer

Ken Dean
Chief Financial Officer

> Highlights

- > NPAT up 9% to A\$284 million
- > Underlying earnings down 10% to A\$271 million
- > Higher prices offset by strong AUD, increased AWAC refining costs
- > Interim dividend - 12¢ fully franked
- > A\$250 million share buy-back completed



> 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





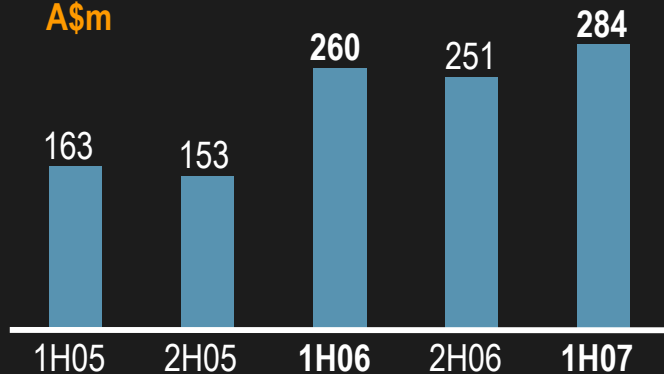
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Financial Results

Ken Dean
Chief Financial Officer

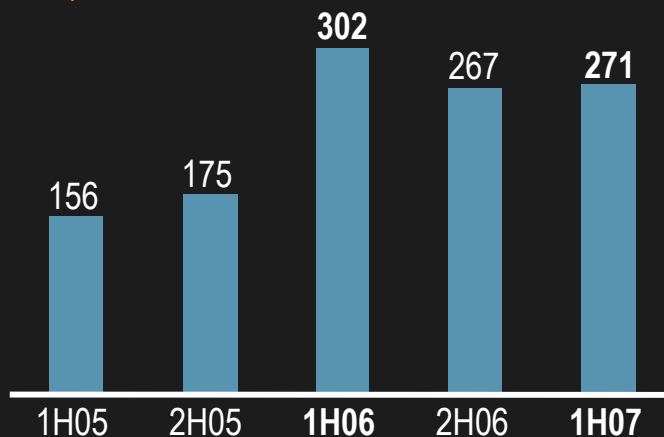
> Higher Interim Profit, Strong Global Demand

Alumina NPAT
A\$m

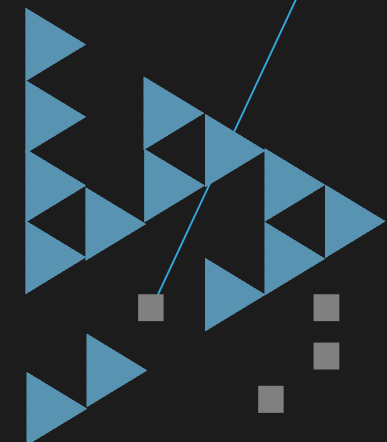


- > NPAT up 9%
- > AWAC alumina and metal prices higher
- > Stronger A\$
- > Higher AWAC refining costs

Underlying Earnings
A\$m

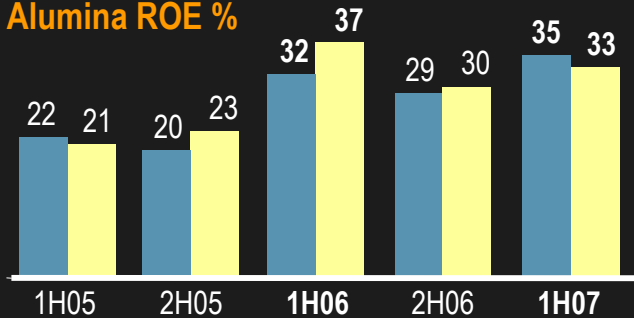


- > Underlying Earnings of A\$271m - down 10%



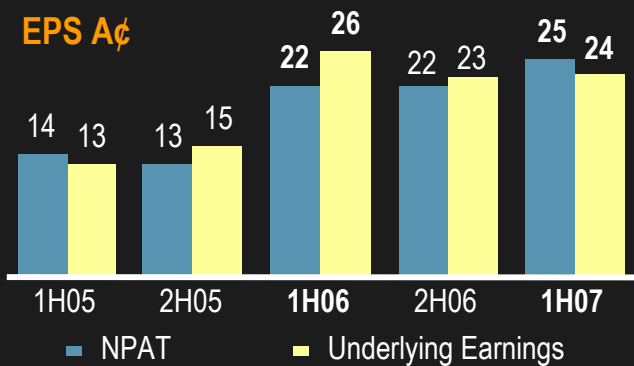
> Increased Returns and EPS Growth

Alumina ROE %



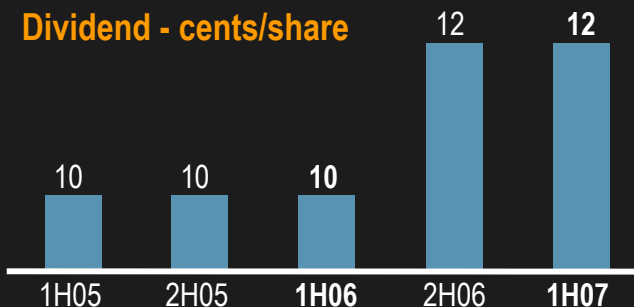
> ROE (underlying) - 33%

EPS A¢



> Strong earnings and share buy-back support EPS

Dividend - cents/share



> Fully franked 12¢ interim dividend



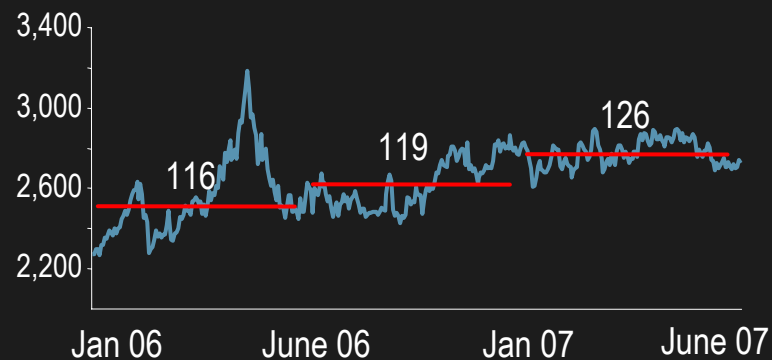
> NPAT - Underlying Earnings Reconciliation

| | First Half 2007 | First Half 2006 |
|---|--------------------|--------------------|
| NPAT (A\$m) | 284 | 260 |
| Employee Retirement Benefit obligations | (12) | (3) |
| Embedded Derivatives | (1) | 45 |
| Underlying Earnings | 271 | 302 |



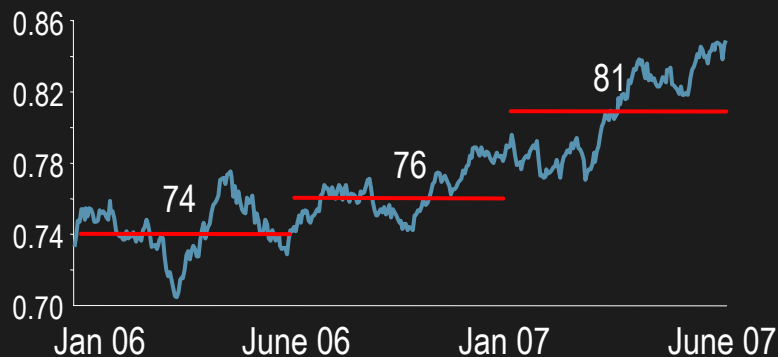
> Aluminium Price and Exchange Rate

LME Aluminium Price



- > First half LME 3 month price - 126¢/lb
- > 9% lift on 1H 2006 average

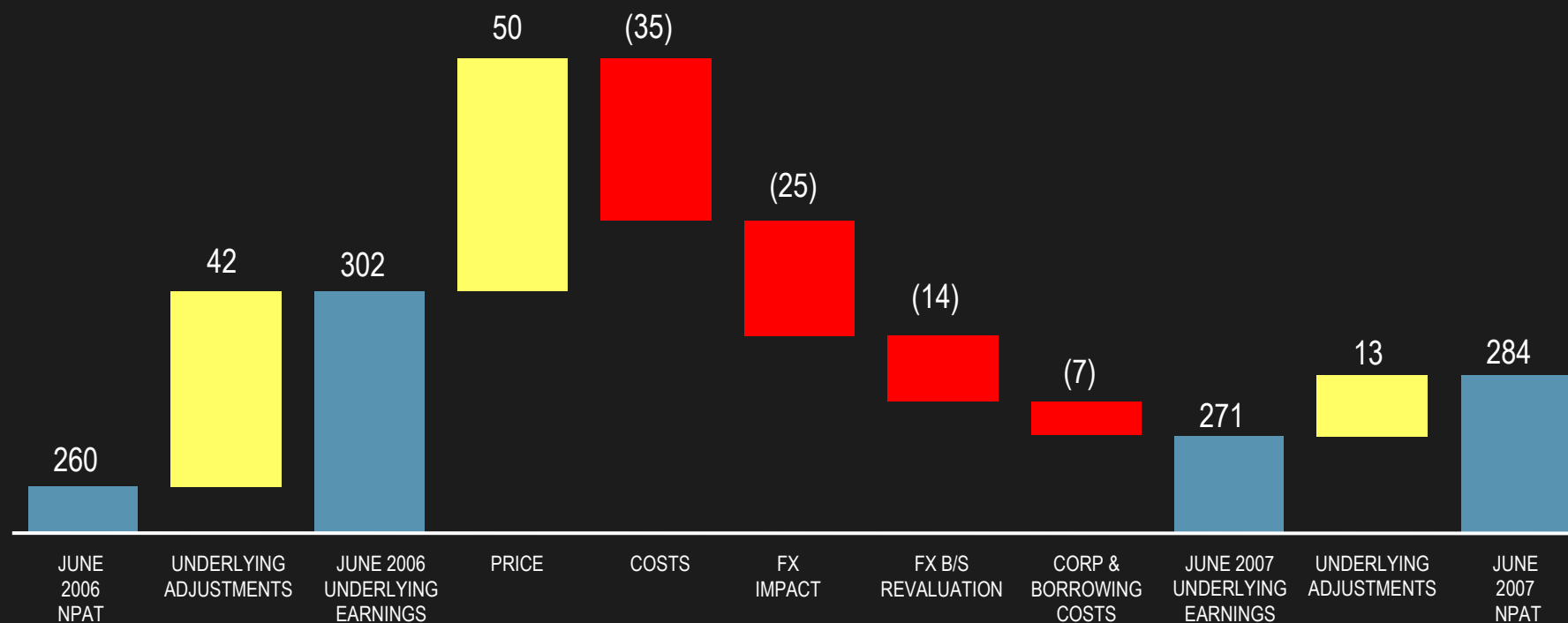
A\$ Exchange Rate



- > First half A\$/US\$ exchange rate - 81¢
- > 8% rise on 1H 2006 average

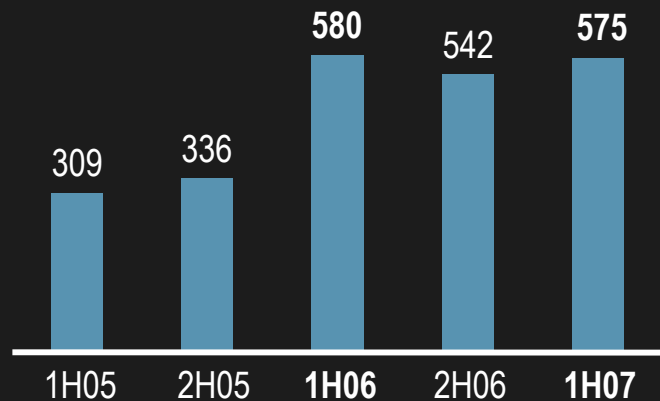


> Alumina Underlying 1H 2006 to 1H 2007 NPAT



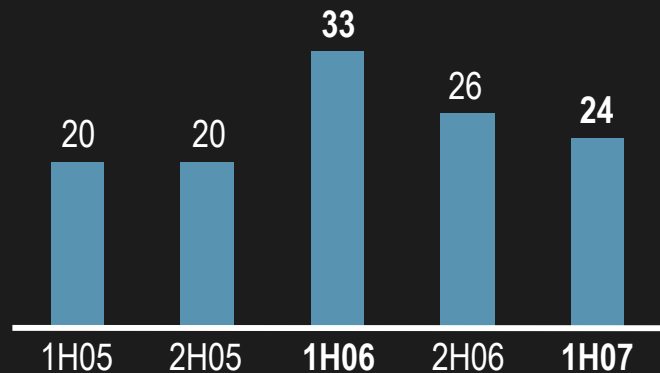
> AWAC Financials - 2007 First Half

AWAC NPAT US\$m



- > NPAT US\$575m
- > Higher AWAC realised alumina and aluminium prices
- > Lower 3rd party alumina sales
- > Stronger A\$, higher bauxite and freight costs

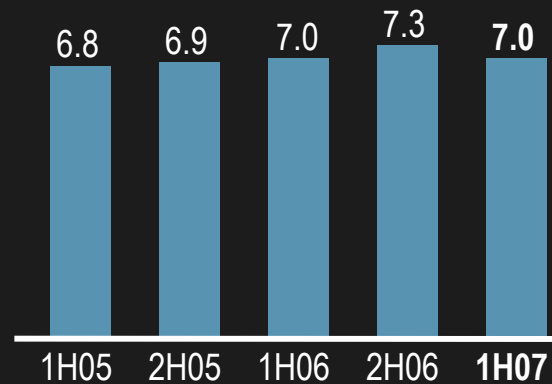
AWAC ROC %



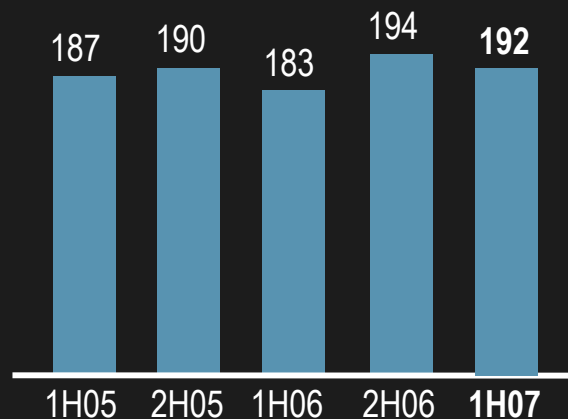
- > ROC - 24% annualised
- 32% excl growth capex
- > US\$476m capex in 1H
- > Growth project investment continuing

> AWAC Operations - 2007 First Half

AWAC Alumina Production
(mt)



AWAC Aluminium Production
(kt)



- > AWAC production in line with 1H 2006
- > WA production disruption in 1Q
- > Jamalco growth commissioned (146,000 tonnes)
- > Pt Comfort at 85% capacity

- > Portland production at capacity
- > Higher alumina and power input costs



> Capital Management

- > Growth funding and dividend flow strengthened by 2006 Funding Agreement
- > AWAC strong cash generation US\$596 million
- > A\$250m share buy-back completed 1H 2007
- > Hybrid funding being considered for 2H 2007





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2007 Outlook

John Marlay
Chief Executive Officer

> Aluminium Market

- > Aluminium market - modest surplus projected
- > Global demand is robust
 - Chinese aluminium consumption above 30% YoY growth
 - Domestic production and consumption roughly balanced
 - Weak US demand, Europe demand strong in 1H
 - Global consumption growth in 2007 approx 10% YoY
- > LME prices up 8% in 1H 2007 vs 2006 average
 - Forward curve has strengthened
- > Inventories at 6 weeks of consumption



> Alumina Market

- > 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 - impact of CBG supply disruption in first half



> AWAC - 2007 Outlook

- > AWAC alumina prices to follow approx 60 day lag
- > AWAC production and shipments - similar to first half
- > Currency forecast to have continuing cost impact in 2H 2007
- > Metal - production and shipments similar to first half



> Brazil Growth Projects

- > Alumar expansion (AWAC - 1.1mtpa)
 - engineering and construction well advanced
 - project schedule - initial production in 4Q 2008
- > Juruti bauxite - initial capacity 2.6mtpa
 - port and mine processing facilities well advanced
 - civil works, construction and environmental scope change
 - bauxite production scheduled for 3Q 2008
 - includes infrastructure for growth
- > Capex increased
 - currency appreciation
 - revised to approx US\$2.3 billion



> Alumina - 2007 Underlying Earnings Guidance

Alumina Limited's 2007 underlying earnings

- > 2007 metal price sensitivity is \$10.0 million for each US one cent movement in the LME metal price
- > 2007 exchange rate sensitivity is \$7.2 million for each one cent movement in the A\$/US\$ exchange rate
- > AWAC refining costs up US\$24/tonne on 2006

Based on 2006 Alumina Limited underlying earnings of A\$569 million, 2006 Average LME US\$1.17/lb and A\$/US\$ of 0.75



> Scorecard - First Half 2007

- > NPAT - A\$284m
- > Underlying Earnings - A\$271m
- > EPS (Underlying) - 23.5 cps
- > ROE (Underlying) - 33%
- > Interim Dividend - 12cps fully franked





Questions