

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



Public Announcement 2006 – 17AWC

Attached is a presentation relating to Alumina Limited's Half Year Results for the 6 months ended 30 June 2006:

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

Stephen Foster
Company Secretary

3 August 2006

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



Alumina Limited

2006 Half Year Results

3 August 2006

John Marlay
Chief Executive Officer

Ken Dean
Chief Financial Officer

ALUMINA
LIMITED

Alumina Limited – 2006 Half Year

- Financial Results
- Market Outlook
- AWAC Growth Projects

ALUMINA
LIMITED

Some statements in this presentation 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 2005.

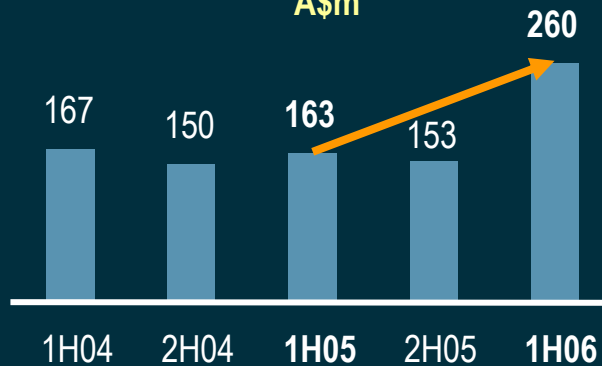


Financial Results

ALUMINA
LIMITED

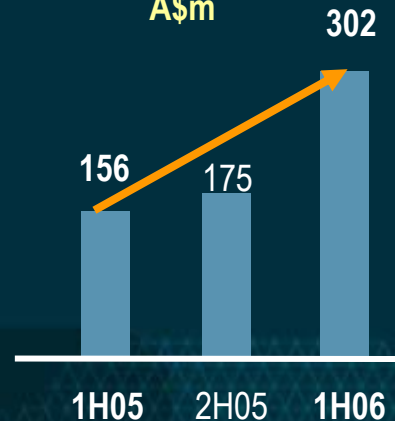
NPAT Up, Strong Underlying Earnings

Alumina NPAT
A\$m



- NPAT up 59%
- Higher alumina and metal prices

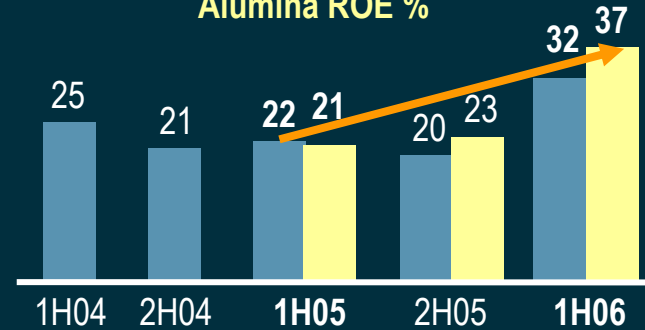
Underlying Earnings
A\$m



- Underlying Earnings of A\$302m – 93% increase

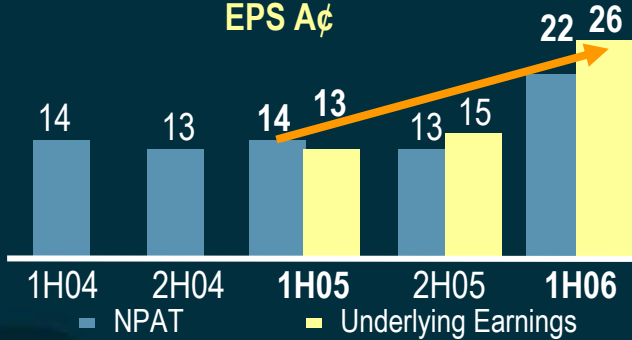
Delivering Strong Returns

Alumina ROE %



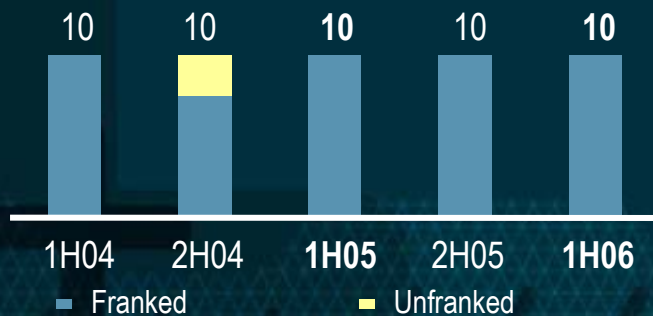
➤ ROE – 32%

EPS A¢



➤ Strong EPS growth

Dividend – cents/share



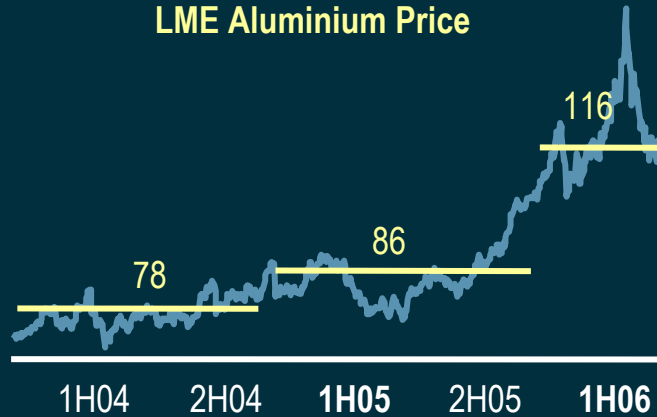
➤ Fully franked 10¢ interim dividend

NPAT – Underlying Earnings Reconciliation

	First Half 2006	First Half 2005
NPAT (A\$m)	260	163
Employee Retirement Benefit obligations	(3)	-
Embedded Derivatives	45	(7)
Underlying Earnings	302	156

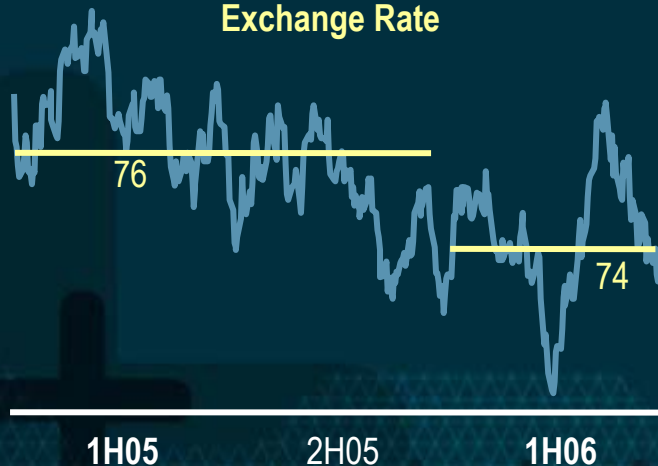
Aluminium Prices – Positive First Half

LME Aluminium Price



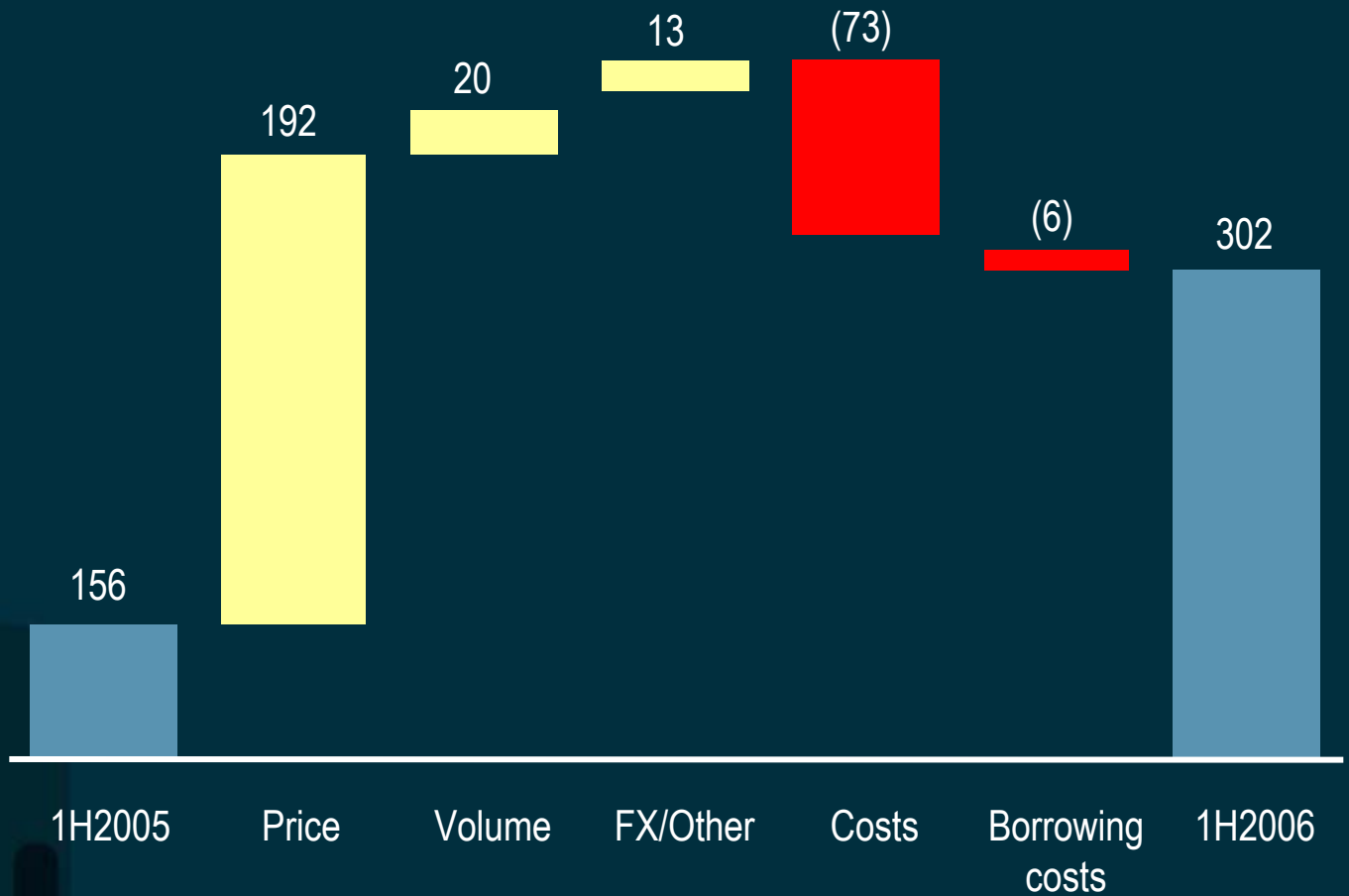
- First half LME 3 month price – 116¢/lb
- 35% lift on 2005 average

Exchange Rate



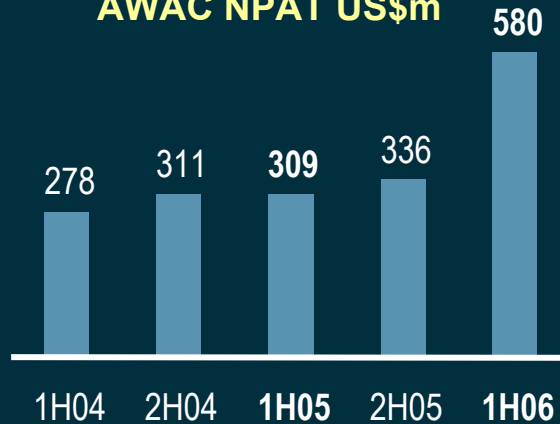
- First half A\$/US\$ exchange rate – 74¢
- Lower A\$ cost vs 2005

Growth in Underlying Earnings

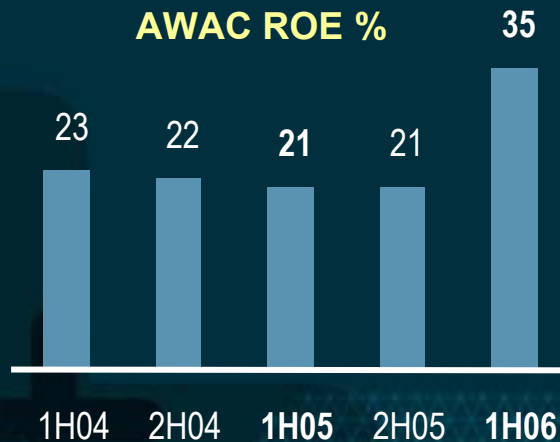


AWAC Financials – 2006 First Half

AWAC NPAT US\$m



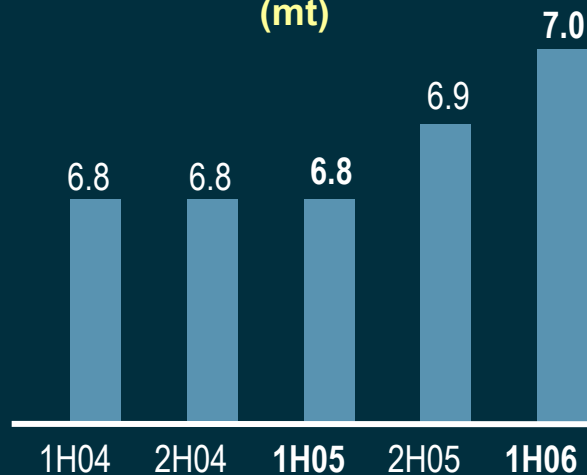
AWAC ROE %



- NPAT US\$580m
- Strong LME price drives higher realised alumina and aluminium prices
- Higher energy and raw material costs
- ROE – 35% annualised
- Higher capex US\$330m, major project investment continues

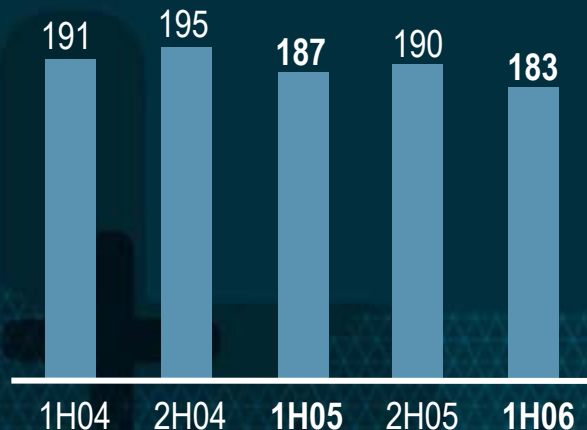
AWAC Operations – 2006 First Half

AWAC Alumina Production
(mt)



- AWAC production record **↑** 3%
- Suriname and WA production issues addressed
- Pinjarra upgrade – commissioned in 2Q

AWAC Aluminium Production
(kt)



- Metal production **↓** 2%
- Portland returning to full potline capacity in 2H
- Higher alumina and energy input costs

Alumina – 2006 Underlying Earnings Guidance

Guidance impacted by higher LME aluminium price:

- 2006 metal price sensitivity is \$13.0 million for each US one cent movement in the LME metal price
- 2006 exchange rate sensitivity is \$7.2 million for each one cent movement in the A\$/US\$ exchange rate



Market Outlook

ALUMINA
LIMITED

- Tight aluminium market projected through 2006
- Demand remains strong
- Physical premiums have firmed in all regions
- Inventories – visible stocks continue to decline in 2Q
- Chinese aluminium consumption drives global growth
 - Domestic consumption growth – 16% yoy
 - Production and consumption roughly balanced

- Alumina markets moving to a relatively balanced position
- Low inventories at both supplier and customer locations
- Chinese alumina production capacity growing strongly
- Spot alumina prices have pulled back from record levels

- Strong global demand keeping aluminium markets tight
- Pinjarra refinery expansion continues ramping up to capacity
- Energy cost pressures continue, raw material costs stabilising
- Productivity initiatives are targeted to maximise production



AWAC Growth Projects

ALUMINA
LIMITED

AWAC Growth Projects

- Pinjarra upgrade – 657ktpa
 - 100% on line in 4Q
 - Adds significant low cost capacity to AWAC production
 - Capex US\$510m
- Juruti bauxite mine – 2.6mtpa
 - Construction underway
 - Production targeted for first half 2008
- Alumar – 1.1mtpa *AWAC share*
 - Capacity increase to 3.5mtpa in 2008
- Jamalco
 - Early work programme on track to deliver 146ktpa from 1Q 2007
 - Stage 2 – dependent on gas contract supply agreement

AWAC Future Projects

- Wagerup - 2.0+mtpa
 - WA government approval pending
- Guinea – 750ktpa *AWAC's share*
 - Feasibility study phase for 1.5mtpa greenfield refinery
- Ghana
 - 1.5mtpa greenfield refinery and bauxite mine
- Vietnam
 - MOU – feasibility for bauxite mine, alumina refinery

Funding AWAC Growth Projects

- AWAC project funding
 - Cash flow and partner equity
 - Funding plan agreed with Alcoa
- Alumina capital management
 - New US\$700m facility established
 - Conservative gearing ratios
 - Standard & Poor's – confirmed A- stable
 - Maintain franked dividend levels for shareholders

2006 Business Fundamentals

- Strong global aluminium demand continues
- Alumina supply remains tight – new production capacity in China impacts spot market
- AWAC production – productivity gains, new capacity ramping up
- Energy cost pressures continue, other input costs stabilising
- Contract alumina prices in Q3 continue to benefit from strong LME metal prices

Questions



ALUMINA
LIMITED