

To: The Manager
Announcements
Company Announcements Office
Australian Stock Exchange



Public Announcement 2006 – 21AWC

Alumina Limited 2006 Earnings Outlook

Alumina Limited today advised that it expects full year 2006 Underlying Earnings to be between A\$565 million and A\$585 million, assuming 2006 year to date average aluminium prices and foreign exchange rates prevail for the remainder of the year.

The lower full year Underlying Earnings, compared to Alumina Limited's previous guidance, is the result of increased AWAC production costs due to higher raw material usage and increased maintenance and contractor costs; AWAC production volume at 14.3-14.4 million tonnes including the effect of the previously-advised Pinjarra expansion at 90% by the end of the year; and the impact on realized alumina prices of the mix of AWAC sales during 2006. The sensitivity of Underlying Earnings to changes in the LME aluminium price has been lower than our previous guidance.

The Company's Underlying Earnings are calculated as net profit after tax before the impact of certain non-cash accounting entries not related to the year's operating performance. These non-cash entries relate to mark-to-market valuations of AWAC embedded derivatives, which reflect future aluminium prices based on the forward market at the end of the period, and certain employee benefit obligations.

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 2005.

Further information:

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

Stephen Foster
Company Secretary

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