

To: The Manager
Announcements
Company Announcements Office
Australian Stock Exchange



Public Announcement 2004 – 12AWC

Attached is a press release regarding funding of the Pinjarra Efficiency Upgrade.

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

Stephen Foster
Company Secretary

29 March 2004

Alumina Limited

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▶ **29 March 2004**

For Immediate Release

Funding of Pinjarra Efficiency Upgrade

The A\$440 million efficiency upgrade to the Pinjarra Refinery will consolidate Pinjarra as AWAC's leading edge and most cost competitive refinery, consistent with AWAC's growth strategy.

Following the efficiency upgrade the annual production of alumina will increase from 3.5 million tonnes to 4.2 million tonnes and there will also be significant savings in production costs.

The upgrade will be funded by Alcoa of Australia operating cash flow through to the end of 2005, with the benefits expected to be delivered from the beginning of 2006.

The Board's intention is to continue to distribute the fully franked dividend received from Alcoa of Australia to the extent practicable. The Board also intends to maintain a dividend payout ratio for 2004 similar to last year, having regard to the overall business performance of AWAC, and dividends to the AWAC partners. The portion which is franked will depend on the level of franked dividend received from Alcoa of Australia.

Alumina Limited has substantial financial flexibility with cash on hand of \$151 million after paying the 2003 final dividend and modest debt of \$410 million.

For further information: _____

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