

To: The Manager
Announcements
Company Announcements Office
Australian Securities Exchange



Public Announcement 2012 – 18AWC

Alumina Limited note the announcement made by Alcoa of Australia today in relation to the Point Henry aluminium smelter.

Alumina Limited CEO, John Bevan, commented, "The review thoroughly considered all aspects of the smelter's performance and outlook and the decision to continue production is the best economic outcome".

For investor enquiries:

Ben Pitt
Investor Relations Manager
Phone: +61 3 8699 2609
ben.pitt@aluminalimited.com

For media enquiries:

Nerida Mossop
Hinton and Associates
Phone: +61 3 9600 1979
Mobile: +61 419 114 057

John Bevan
Chief Executive Officer
Phone: +61 3 8699 2601
john.bevan@aluminalimited.com

Some statements in this public announcement 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 2011.

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

Stephen Foster
Company Secretary

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



Alcoa announces result of Point Henry smelter review

Alcoa announced today that it expects to operate the Point Henry aluminium smelter until at least mid 2014. The future of the smelter in Geelong, Victoria, has been under review since February because of continuing difficult economic conditions for the aluminium smelting industry in Australia.

"When the review was announced, the Point Henry smelter was facing substantial losses," said Alan Cransberg, Alcoa of Australia Managing Director.

"Since then global market conditions, such as exchange rates and the aluminium price, have made the situation worse.

"However thanks to the efforts of our workforce, and the support we have received from both the Australian and Victorian governments, unions, contractors and suppliers, we believe we can minimise those losses."

Mr Cransberg said the resilience and commitment shown by everyone at Point Henry over the last five months has been outstanding.

"It's been a difficult and uncertain time for our people and they have not only ensured that the smelter has run smoothly, they have done it safely and with a resolve that makes us all proud.

"We set a challenge to find significant savings. We now need to implement the opportunities identified along with some structural changes that will see workforce reductions of about 10 percent – wherever possible these reductions will be voluntary.

"These savings and the government assistance are essential in the face of continuing tough economic conditions. The low metal price and high Australian dollar will continue to be a significant challenge for us, but we can now focus on finding more savings and continue investing in repairs and maintenance so the smelter remains a safe and efficient workplace.

"The way things are right now, two years is a long time in our industry. No one can predict exactly what's going to happen with the global economy or where exchange rates and the price of aluminium will move," he said.

Alcoa remains confident of continuing strong demand for aluminium in the long term.

Mr Cransberg said the announcement is a positive outcome for employees, their families and the local community. The Point Henry operations put over \$300 million a year into the Australian economy, including over \$100 million into Geelong and surrounding areas through wages, salaries and the purchase of goods and services.

- ENDS -

Media contact:

Nichola Holgate 0409 036 948 nichola.holgate@alcoa.com.au

See www.alcoa.com.au for all news releases.

Alcoa of Australia ACN No 93 004 879 298

Alcoa is Australia's leading aluminium producer and operates the world's largest integrated bauxite mining, alumina refining and aluminium smelting system. Employing around 7,500 people, Alcoa has operations in WA, Victoria and NSW and has been a major Australian exporter for more than 40 years.