

ASX Announcement

19 August 2015

## Alumina Limited 2015 Half-Year Result

Attached are the following documents in relation to Alumina Limited's Half-Year Results for the six-months ended 30 June 2015:

- Public Announcement



**Stephen Foster**  
**Company Secretary**

19 August 2015

## 2015 Half-Year Result

### Alumina Limited reports a US\$169 million increase in reported profit after tax

Alumina Limited (ASX:AWC) today reported a statutory net profit after tax of US\$122 million for the half year to 30 June, 2015. This compares to a net loss in the prior corresponding period of US\$47 million.

Alumina's results include significant items which are largely for the restructuring of AWAC's asset portfolio in both half years: a net charge of US\$53 million is included in the current half year and US\$74 million was included in the first half of 2014.

Alumina has declared an interim, fully franked dividend of 4.5 US cents per share. This compares to no interim dividend in 2014, and a final dividend in 2014 of 1.6 US cents per share.

Alumina's Chief Executive Officer, Peter Wasow, said, "AWAC<sup>1</sup> has achieved a significantly higher alumina EBITDA margin for the half, a significantly improved profit performance and strong cash generation, even after the Western Australian gas prepayment. AWAC has capitalised on market conditions and portfolio reform to post its best result for several halves.

"Despite the recent fall in commodity prices, we expect to see solid margins in the second half due to increased sales on an index basis and lower production costs resulting from favourable exchange rates.

"We are pleased that our strong balance sheet and a reduced capital requirement going forward allows us to continue to pay dividends to shareholders."

The dividend reinvestment plan (DRP) will be in effect for this dividend and will be underwritten to fifty percent of the dividend paid. DRP shares will be issued to shareholders at a 1.5% discount

### AWAC: Reaping the rewards of an improved asset portfolio and business conditions

- EBITDA increased by US\$611 million to US\$730 million. Excluding significant items, EBITDA increased by US\$455 million to US\$801 million
- Cash from operations increased by \$239 million to \$321 million, which is after a \$300 million prepayment for the Western Australian gas supply agreement
- Average realised price of alumina increased by US\$21 per tonne
- Cash cost of alumina production decreased by US\$30 per tonne
- EBITDA margin for alumina of US\$104 per tonne, highest EBITDA margin since 2007

### Outlook

- Strong forecast growth in metal demand to feed through to alumina demand
- Short term pressure on alumina prices due to low aluminium prices and short term alumina oversupply
- Margins supported by API pricing shift, productivity gains and weaker Australian and Brazilian currencies

Alumina Limited Key Financials			AWAC Key Financials (US GAAP)		
	1H15	1H14		1H15	1H14
	US\$m	US\$m		US\$m	US\$m
<b>Net profit/(loss) after tax</b>	<b>122.0</b>	<b>(47.4)</b>	<b>Net profit/(loss) after tax</b>	<b>328.4</b>	<b>(58.7)</b>
Total Significant Items after tax	(53.1)	(74.2)	EBITDA <sup>3</sup>	730.2	119.2
Distributions received from AWAC	71.0	54.2	Total Significant Items before tax <sup>4</sup>	(70.7)	(226.4)
Payments to AWAC	Nil	(32.0)	Cash from operations	320.6	81.5
<b>Net Receipts from AWAC</b>	<b>71.0</b>	<b>22.2</b>			
	<b>30 June</b>	<b>31 Dec</b>		<b>1H15</b>	<b>1H14</b>
	<b>2015</b>	<b>2014</b>		<b>US\$/t</b>	<b>US\$/t</b>
Net Debt US\$m	65.8	86.6	Alumina EBITDA margin <sup>5</sup>	104	44
Gearing <sup>2</sup>	2.8%	3.4%	Alumina realised price	321	300
			Alumina cash cost of production	223	253

#### Definitions and notes

1. AWAC is Alcoa World Alumina & Chemicals, which is 60% owned by Alcoa Inc and 40% owned by Alumina Limited.
2. Calculated as (debt – cash) / (debt + equity).
3. Earnings before interest, tax, depreciation and amortisation consistent with previous periods.
4. 1H15 AWAC financials include Anglesea restructuring charge of \$53.4 million pre-tax and Suriname restructuring charge of \$17.7 million pre-tax. 1H14 AWAC financials include Point Henry restructuring charge of \$254.3 million. For further details refer to the reconciliation on page 23 of Alumina Limited's ASX Half-Year Report for the period ended 30 June 2015.
5. The EBITDA margin is calculated as AWAC's EBITDA excluding significant items, smelters' EBITDA and equity accounted income/(losses) divided by tonnes of alumina produced.

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Any forward-looking statements contained in this document are not guarantees of future performance. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Alumina and its directors, officers, employees and agents that may cause actual results to differ materially from those expressed or implied in such statements. Those risks, uncertainties and other factors include (without limitation): (a) material adverse changes in global economic conditions, alumina or aluminium industry conditions or the markets served by AWAC; (b) changes in production or development costs, production levels or sales agreements; (c) changes in laws, regulations or policies; (d) changes in alumina or aluminium prices or currency exchange rates; (e) Alumina Limited does not hold a majority interest in AWAC and decisions made by majority vote may not be in the best interests of Alumina Limited; and (f) the other risk factors summarised in Alumina's Annual Report 2014. Readers should not place undue reliance on forward-looking statements. Except as required by law, Alumina disclaims any responsibility to update or revise any forward-looking statements to reflect any new information or any change in the events, conditions or circumstances on which a statement is based or to which it relates.

This presentation contains certain non-IFRS financial information. This information is presented to assist in making appropriate comparisons with prior year and to assess the operating performance of the business. Where non-IFRS measures are used, definition of the measure, calculation method and/or reconciliation to IFRS financial information is provided as appropriate or can be found in the Alumina Limited's ASX Half-Year Report for the period ended 30 June 2015.



**Stephen Foster**  
**Company Secretary**  
**19 August 2015**

#### For investor enquiries:

Chris Thiris  
**Chief Financial Officer**  
 Phone: +61 3 8699 2607  
[chris.thiris@aluminalimited.com](mailto:chris.thiris@aluminalimited.com)

#### For media enquiries:

Nerida Mossop  
**Hinton and Associates**  
 Phone: +61 3 9600 1979  
 Mobile: +61 437 361 433

Charles Smitheram  
**Manager – Treasury and Investor Relations**  
 Phone: +61 3 8699 2613  
[charles.smitheram@aluminalimited.com](mailto:charles.smitheram@aluminalimited.com)