

Alumina Limited 2014 Full Year Result

Alumina Limited results

- Net loss after tax of \$98.3 million includes a \$189.4 million net charge for significant items
- Significant items include loss on sale of the Jamalco refinery interest and closure costs of the Point Henry smelter
- Net profit after tax excluding significant items of \$91.1 million
- Strong balance sheet with gearing reduced to 3.4%
- Payment of dividends to shareholders resumed with final dividend of US 1.6 cents per share

AWAC asset base undergoing restructure

- High cost assets closed, sold or under review – Point Henry smelter closed, interest in Jamalco mine and refinery sold, Suralco mine and refinery operations under strategic review
- Low cost production added – Ma'aden JV mine and refinery commenced operations in December
- Incremental growth and record production in low cost operations in Australia and Brazil
- Low cost energy solution for San Ciprian refinery completed in February 2015

Outlook

- Strong forecast growth in metal demand to feed through to alumina demand
- Continuing concerns over availability and cost of bauxite could lead to increased alumina imports into China
- c.75% of AWAC's third party smelter grade alumina sales priced on spot or alumina indexed basis for 2015 (2014: 68%)

Alumina Limited Key Financials	FY14		FY13		AWAC Key Financials (US GAAP)	FY14		FY13	
	US\$m	US\$m	US\$m	US\$m		US\$m	US\$m	US\$m	US\$m
Net (loss)/profit after tax	(98.3)	0.5			Total Revenue	5,862.0	5,884.6		
Total Significant Items after tax	(189.4)	(29.1)			Loss before tax	(108.0)	(185.1)		
					Income tax charge	(135.0)	(63.6)		
Dividends/Distributions received	20.3	107.3			Net loss after tax	(243.0)	(248.7)		
Capital Returns	98.9	3.0			Total Significant Items before tax ¹	(568.0)	(459.0)		
Net Debt	86.6	135.2			EBITDA ²	301.0	268.8		
Gearing ³	3.4%	4.6%			Free cash flow ⁴	244.0	333.4		
					Dividends & Distributions	50.7	267.7		
					Capital Returns	251.7	3.0		

Alumina Limited Chief Executive Officer, Peter Wasow, said, "Our active and ongoing restructuring of the AWAC portfolio has positioned the business to maintain a leading, competitive position in global markets and to realise further the benefits of improving market fundamentals.

"Excluding significant items, the profit of the underlying business improved considerably on the prior year with favourable exchange rate movements and lower production costs per tonne of alumina being the key contributing factors.

"With a strong balance sheet, reduced capital requirements going forward and an improved business outlook, we are pleased to resume paying dividends to shareholders".

Definitions and notes

1. 2014 AWAC financials include Point Henry restructuring charge (\$329.2 million) and loss on sale of Jamalco (\$266.3 million). 2013 AWAC financials include Alba legal matter (\$384.0 million). For further details refer to the reconciliation on page 19 of the ASX Preliminary Final Report for the period ending 31 December 2014 (Appendix 4E).
2. Earnings before interest, tax, depreciation and amortisation consistent with previous periods.
3. Calculated as (debt – cash) / (debt + equity).
4. Free cash flow defined as cash from operations less capital expenditure.

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 2013.

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 ASX Preliminary Final Report (Appendix 4E).

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