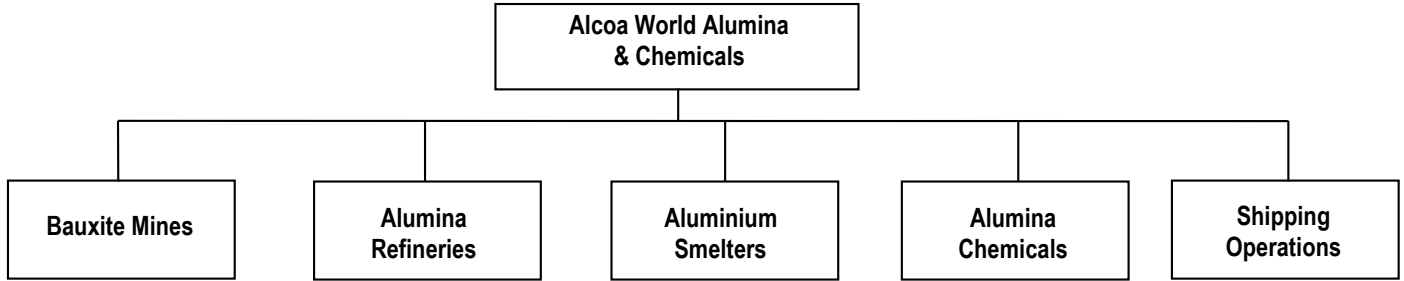


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Diagram of Alcoa World Alumina and Chemicals (AWAC) Operations



All operations 100% owned, unless otherwise indicated

Australia – Huntly & Willowdale
Brazil – Trombetas (9.6%) & Juruti
Guinea – Sangaredi (23%)
Jamaica – Manchester Plateau (55%)
Suriname – Moengo, Klaverblad & Kaimangrassie
Saudi Arabia – mine being developed (25.1%)

Australia – Kwinana, Pinjarra & Wagerup
Brazil – Sao Luis (39%)
Jamaica – Clarendon (55%)
Spain – San Ciprian
Suriname – Suralco
USA – Point Comfort
Saudi Arabia – refinery being developed (25.1%)

Australia – Point Henry & Portland (55%)

Australia – Kwinana
Spain – San Ciprian
USA – Point Comfort

Bauxite deposits: AWAC’s bauxite deposits have long term mining rights. Bauxite mining is planned on an incremental basis after detailed assessment of the deposits to achieve a uniform quality in the supply of blended feedstock to the relevant refinery.

Refineries: AWAC operates eight alumina refineries, six of which are located in proximity to bauxite deposits.

Smelters: AWAC produces primary aluminium in Australia, with alumina supplied by the Australian refineries.

Alumina Chemicals: AWAC produces chemical grade alumina from three refineries: Kwinana (Australia), Point Comfort (USA) and San Ciprian (Spain).

Shipping Operations: AWAC’s shipping operations use owned and chartered vessels to transport dry and liquid bulk cargoes, including bauxite, alumina, caustic soda, fuel oil, petroleum, coke and limestone.

Alcoa World Alumina and Chemicals (AWAC) Profit & Loss

US\$ Millions (US GAAP) 100%	1st Half 2014	2nd Half 2013	1st Half 2013
Sales	1,795.4	1,895.1	1,875.7
Sales to Related Parties	1,003.5	1,024.6	1,089.2
Total Revenue	2,798.9	2,919.7	2,964.9
Cost of Goods Sold and Operating Expenses	(2,396.5)	(2,507.3)	(2,581.6)
Selling, Administration, Other Expenses and R&D Expenses	(54.7)	(61.3)	(61.9)
Provision for Depreciation, Depletion and Amortisation	(211.1)	(212.5)	(234.6)
Restructuring and Other	(231.4)	(316.2)	(94.3)
Total Expenses	(2,893.7)	(3,097.3)	(2,972.4)
Loss before Taxes	(94.8)	(177.6)	(7.5)
(Provision)/Benefit for Taxes on Income	36.1	(44.9)	(18.7)
Net Loss after Taxes	(58.7)	(222.5)	(26.2)
Members' Equity			
Opening Balance at Start of Period	6,861.7	7,521.2	8,243.7
Net Loss	(58.7)	(222.5)	(26.2)
Capital Contribution	65.6	-	31.5
Dividends Paid and Return of Capital to Partners	(136.7)	(166.1)	(134.7)
Common Stock Issued for Compensation Plans	2.9	1.8	3.4
Other Comprehensive Income	374.5	(272.7)	(596.5)
Closing Balance at End of Period	7,109.3	6,861.7	7,521.2

Alcoa World Alumina and Chemicals (AWAC) Balance Sheet

US\$ Millions (US GAAP) 100%	30 June 2014	31 December 2013	30 June 2013
Cash and Cash Equivalents	110.4	189.5	286.3
Receivables	455.2	541.5	439.7
Related Party Notes Receivable	83.9	91.5	86.6
Inventories	727.6	671.2	719.6
Prepaid Expenses and Other Current Assets	263.1	296.4	352.3
Total Current Assets	1,640.2	1,790.1	1,884.5
Property, Plant & Equipment	6,009.0	5,938.3	6,301.6
Investments	604.1	557.7	588.1
Other Assets and Deferred Charges	1,873.5	1,786.4	1,873.4
Total Non-Current Assets	8,486.6	8,282.4	8,763.1
Total Assets	10,126.8	10,072.5	10,647.6
Short Term Borrowings	70.3	59.0	74.2
Payables	828.1	881.8	938.5
Taxes Payable	150.4	187.1	192.8
Accrued Compensation and Retirement Costs	275.0	269.2	263.0
Other Current Liabilities	342.1	376.6	500.8
Total Current Liabilities	1,665.9	1,773.7	1,969.3
Capital Lease Obligations and Long Term Debt	134.4	116.9	66.3
Deferred Taxes	178.5	237.3	193.2
Other Long Term Liabilities	1,038.7	1,082.9	897.6
Total Non-Current Liabilities	1,351.6	1,437.1	1,157.1
Total Liabilities	3,017.5	3,210.8	3,126.4
Equity	7,109.3	6,861.7	7,521.2
Total Liabilities & Equity	10,126.8	10,072.5	10,647.6

Alcoa World Alumina and Chemicals (AWAC) Statement of Cash Flows

US\$ Millions (US GAAP) 100%	1st Half 2014	2nd Half 2013	1st Half 2013
<u>Operating Activities</u>			
Net Loss	(58.7)	(222.5)	(26.2)
<i>Adjustments to Reconcile Net Income to Cash from Operations</i>			
Depreciation, Amortisation and Impairment	211.1	212.5	234.6
Other Items*	(70.9)	251.6	206.0
Cash from Operating Activities	81.5	241.6	414.4
<u>Financing Activities</u>			
Dividends Paid & Return of Capital to Partners	(136.7)	(198.5)	(72.2)
Change in Debt	29.6	35.4	4.6
Changes to Capital Lease Obligations	(0.8)	-	(2.4)
Capital Contribution	65.6	-	31.5
Cash Generated/(Used) for Financing Activities	(42.3)	(163.1)	(38.5)
<u>Investing Activities</u>			
Capital Expenditure	(88.9)	(144.4)	(178.2)
Net Changes in Related Party Note Receivable	12.4	(33.9)	17.8
Other	(49.1)	(3.0)	(32.7)
Cash Used for Investing Activities	(125.6)	(181.3)	(193.1)
Effect of Exchange Rate Changes on Cash	7.3	6.0	(22.5)
Cash (Used)/Generated	(79.1)	(96.8)	160.3
Cash and Cash Equivalents			
Cash and Cash Equivalents at Beginning of Period	189.5	286.3	126.0
Cash and Cash Equivalents at End of Period	110.4	189.5	286.3
Net Change in Cash and Cash Equivalents	(79.1)	(96.8)	160.3

* Other Items consists of net movement in working capital and other non-current assets and liabilities

Reconciliation of AWAC's Profit to Alumina Limited Share of AWAC's Profit

	1st Half 2014	2nd Half 2013	1st Half 2013
AWAC Loss before tax (US GAAP)	(94.8)	(177.6)	(7.5)
Adjust for IFRS			
- Embedded derivatives	12.7	(17.3)	0.8
- Restructuring charges	(27.4)	-	-
- Reversal of goodwill impairment	-	30.2	-
- Alba provision	-	(28.0)	28.0
- Other	(1.9)	(9.2)	(2.8)
AWAC (Loss)/Profit before Tax (IFRS)	(111.4)	(201.9)	18.5
AWAC Tax (US GAAP)	36.1	(44.9)	(18.7)
Adjust for IFRS			
- Brazil deferred tax	-	(40.3)	38.2
- Other	(1.5)	5.2	0.3
AWAC Tax (IFRS)	34.6	(80.0)	19.8
AWAC (Loss)/Profit before Tax (IFRS)	(111.4)	(201.9)	18.5
AWAC Tax (IFRS)	34.6	(80.0)	19.8
AWAC (Loss)/Profit after Tax (IFRS)	(76.8)	(281.9)	38.3
Alumina Limited Share of Equity (Loss)/Profit after Tax	(30.7)	(112.7)	15.3