

Alumina Limited

2012 Half Year Results

John Bevan
Chief Executive Officer

Chris Thiris
Chief Financial Officer

Disclaimer

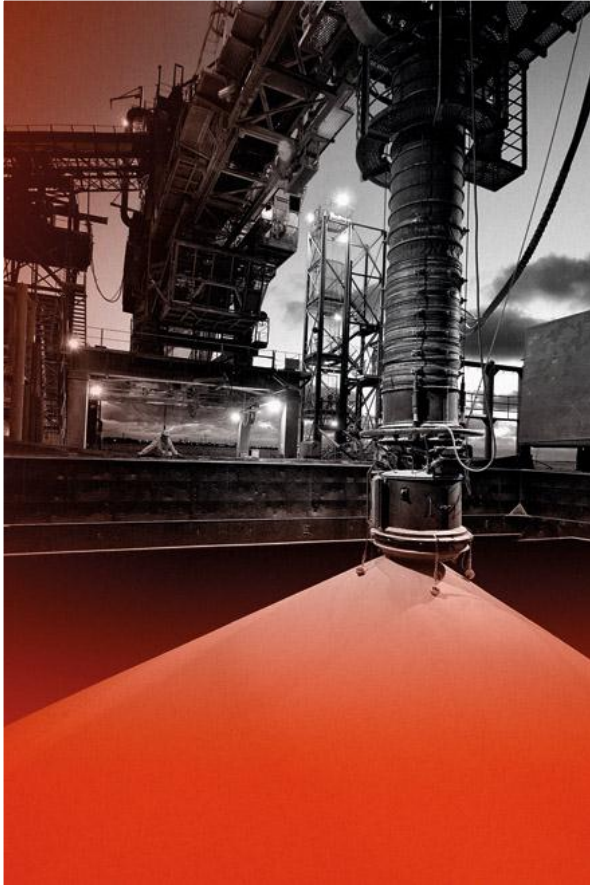


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(a) material adverse changes in global economic, alumina or aluminium industry conditions and the markets served by AWAC; (b) changes in production and development costs and production levels or to sales agreements; (c) changes in laws or regulations or policies; (d) changes in alumina and aluminium prices and currency exchange rates; (e) constraints on the availability of bauxite; and (f) the risk factors and other factors summarised in Alumina’s Form 20-F for the year ended 31 December 2011.

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1H12 Results Highlights

First Half 2012 Financial Performance

AWC			
US\$m (IFRS)	1H12	2H11	1H11
Underlying Earnings	(8.2)	50.3	77.7
NPAT	(14.6)	58.9	67.7
Total Dividend (US cps)	Nil	3	3

Alumina Limited

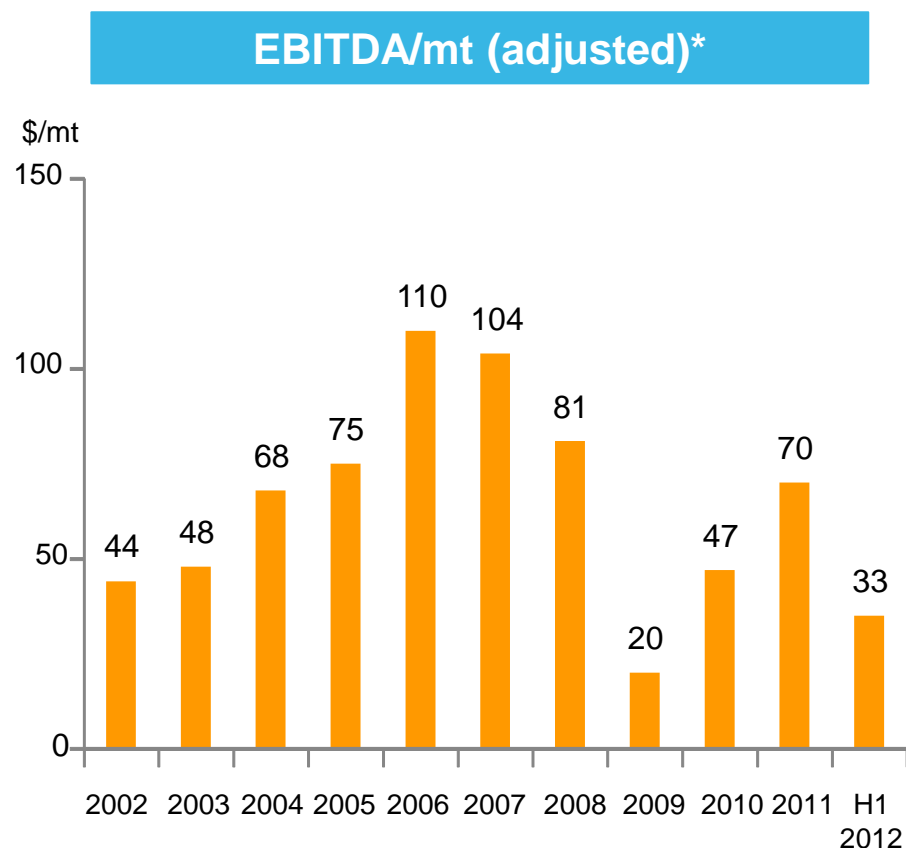
- AWC recorded small underlying loss in a difficult market
- AWC received \$70m in dividends and distributions from AWAC
- AWC will not pay an interim dividend to shareholders

AWAC			
US\$m (US GAAP)	1H12	2H11	1H11
Revenue	2,936	3,288	3,379
EBITDA	161	463	611
Dividends and distributions paid	176	175	425

AWAC

- Revenue impact at AWAC level of \$308 million from prior half due to weaker aluminium and alumina prices
- Productivity gains offset cost pressures
- Cash from operations exceeded sustaining capex

Good Progress on Strategic Initiatives

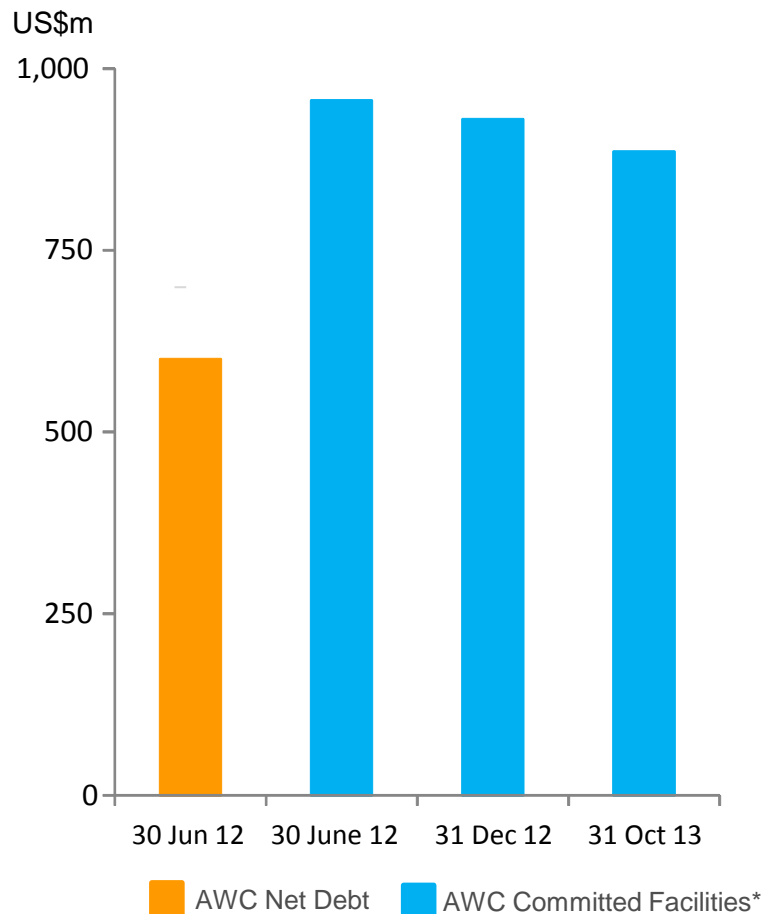


- Conversion to new alumina spot/index pricing delivering margin improvement
- Premium for spot/index based contracts contributed significantly to Adjusted EBITDA/mt for alumina ~\$33/mt in 1H 2012
- Positive margins in challenging market conditions reflect AWAC's low cost position in the industry. Ma'aden refinery will reduce AWAC's average alumina production cost

* Adjusted EBITDA/MT from Alcoa Inc's alumina segment (source: Alcoa Inc 2Q 2012 Results slide pack). Alcoa Inc alumina segment is predominately AWAC operations, of which Alumina Limited owns 40%.

Alumina Limited Extended Debt Facilities

AWC Debt & Committed Facilities

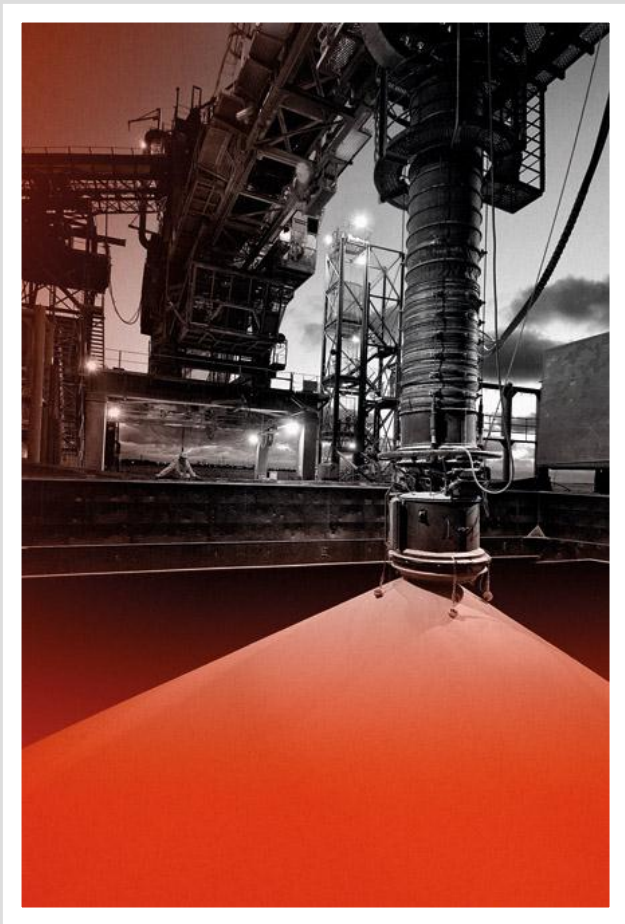


- Net debt at \$602m
- Gearing of 18%
- \$315m in undrawn committed facilities, including \$200m new facilities
- No bank facilities expire until November 2013 (BNDES facility amortises at approximately \$52m per annum)
- Modest growth capex and equity investments for second half
- AWAC had no net external debt at 30 June 2012

* 31 Dec 12 and 31 Oct 13 Committed Facilities' level reduced as a result of amortisation of BNDES of ~\$26m every half

Outlook for Key Performance Indicators

KPI	Status and Outlook
Currency	A\$ remains near historic highs above parity. Fall in A\$ value would improve AWAC profitability. Brazilian Reais has weakened
Alumina spot / index	Traded in narrow range in 1H12. Current price unsustainable in long term given industry marginal cost and increasing capital costs
Refinery inputs	Caustic and energy prices were trending down in first half, but remain volatile
Aluminium	Improving pricing outlook given recent rising level of regional premiums and decline in inventories



Alumina Limited and AWAC 1H12 Results

AWAC 1H12 US GAAP Results

AWAC Profit & Loss

US\$m (US GAAP)	1H12	Change vs 2H11	Change vs 1H11	2H11	1H11
Sales revenue	1,787	-13%	-14%	2,057	2,088
Related party revenue	1,149	-7%	-11%	1,231	1,291
Total Revenue	2,936	-11%	-13%	3,288	3,379
COGS and operating expenses	(2,719)	-2%	+1%	(2,761)	(2,698)
Depreciation and Amortisation	(239)	-1%	+6%	(240)	(226)
Selling, Admin, R&D, Other	(56)	-11%	-20%	(64)	(69)
Total Expenses	(3,014)	-2%	+1%	(3,065)	(2,993)
Profit before Tax	(78)	-135%	-120%	223	386
Income Tax	(9)	-72%	-92%	(32)	(107)
Net Profit after Tax	(87)	-146%	-131%	191	279
EBITDA	161	-65%	-74%	463	611

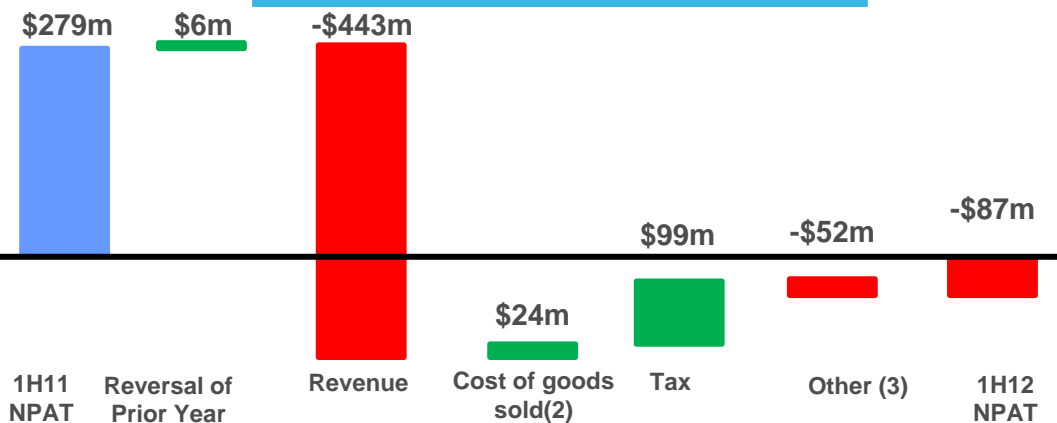
- Revenues down in difficult market
- COGS steady
- EBITDA decline price driven
- Cash from operations exceeded sustaining capex

AWAC Free Cash Flow

US\$m (US GAAP)	1H12	Change vs 2H11	Change vs 1H11	2H11	1H11
Cash from operations	172	-61%	-41%	446	292
Capital expenditure	(184)	-29%	+38%	(258)	(133)
Free cash flow^	(12)	-106%	-108%	188	159

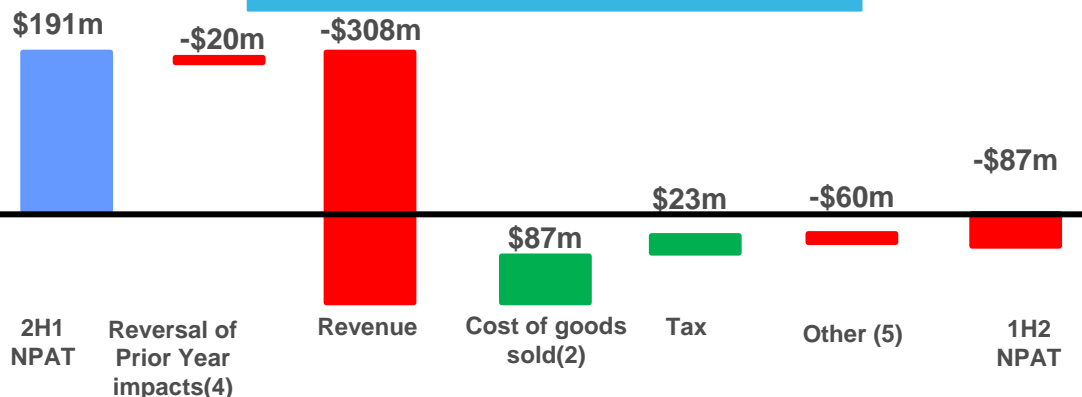
AWAC US GAAP NPAT: Performance Bridges

1H12 Against 1H11



- Lower aluminium and alumina prices
- Higher caustic prices
- Productivity gains

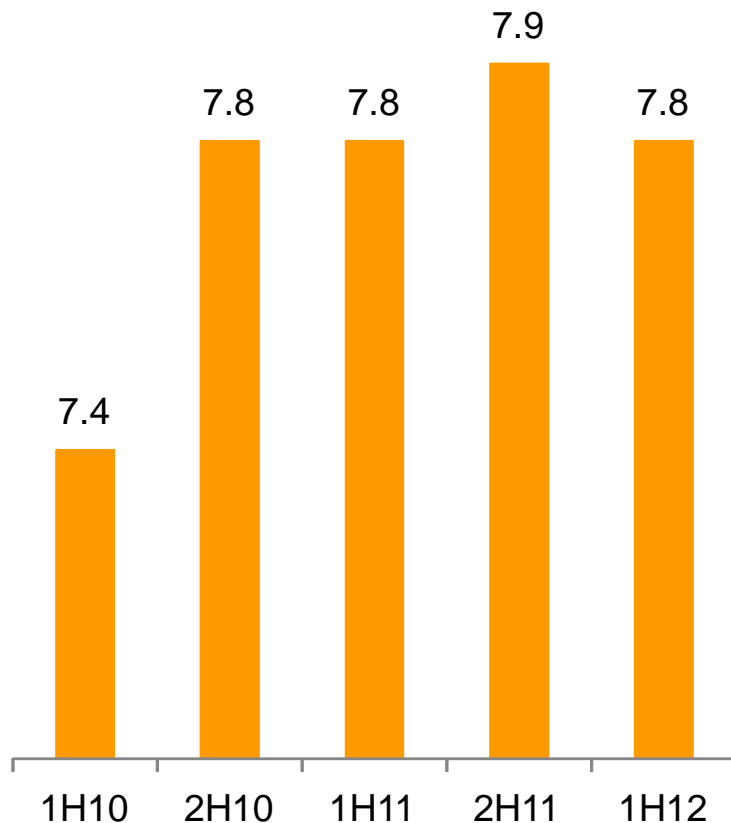
1H12 Against 2H11



- 1 Reversal of: \$20m St Croix remediation provision and \$14m equity profit from Dampier Bunbury pipeline
- 2 Productivity gains partly offset by higher caustic
- 3 Other includes: \$45m Alba charge, \$9m long service leave adjustment, \$6m asset write-off
- 4 Reversal of: \$43m land sales, \$14m loss on smelter restructuring costs and \$9m loss on balance sheet revaluations
- 5 Other includes: \$45m Alba charge, \$9m long service leave adjustment, \$6m asset write-off

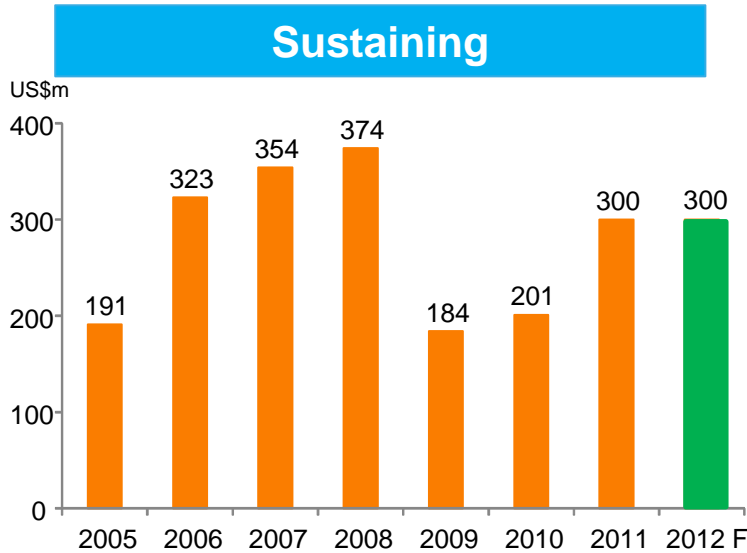
AWAC Alumina Production

Production of Alumina (m tonnes)



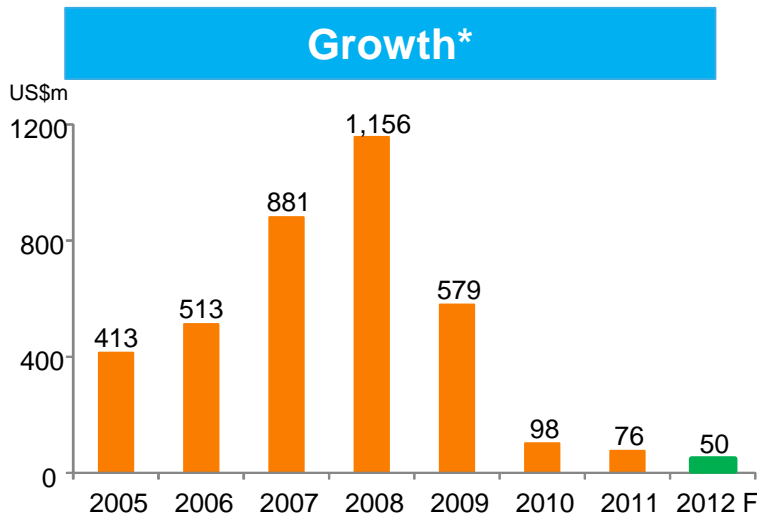
- Alumina Production
 - 7.8m tonnes in line with 1H 2011
 - Annualised production rate of 15.5m tonnes
- Australia
 - Operated at or above capacity
 - Production creep benefits
- Atlantic Operations
 - Brazil near nameplate capacity
- Ma'aden Complex
 - Refinery construction on time and on budget
 - Alumina supply from AWAC

AWAC Capex Requirements



Sustaining Capex – funded by AWAC

- Forecast remains US\$300m
- Includes crusher move



Growth Capex – funded by AWC and Alcoa

- AWAC forecast remains unchanged
 - \$50m, mainly Brazil
 - \$190m for Ma'aden

* Excludes equity contributions to Ma'aden joint venture

Alumina Limited 1H12 Results

AWC Profit & Loss

US\$m (IFRS)	1H12	Change vs 2H11	Change vs 1H11	2H11	1H11
Equity Share of AWAC Underlying PAT	14	-80%	-86%	71	103
Corporate Costs	(9)	+2%	+8%	(9)	(8)
Finance Costs	(14)	+4%	-10%	(13)	(15)
Other & Tax	1	-67%	+12%	1	(2)
Underlying Earnings	(8)	-116%	-110%	50	78
Retirement benefit obligation, AWAC	(16)	-67%	+11%	(47)	(14)
Embedded Derivative, AWAC	9	-83%	+121%	56	4
Net Profit After Tax	(15)	-125%	-122%	59	68

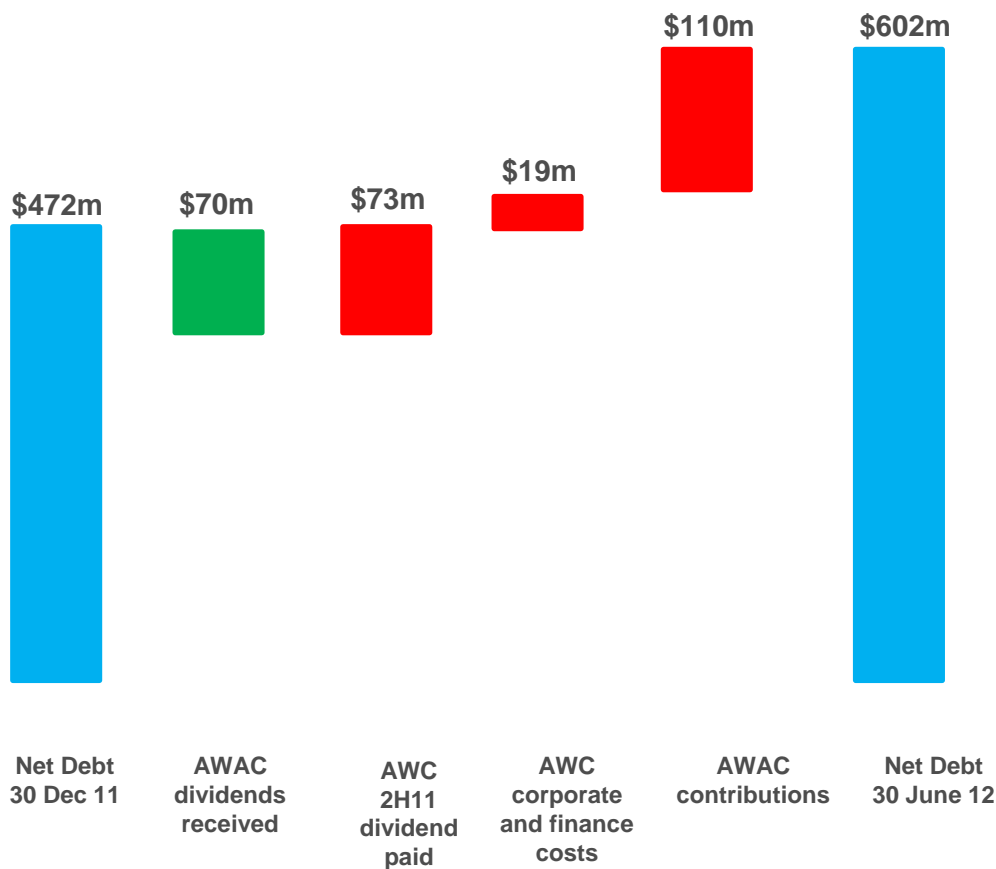
AWC Free Cash Flow

US\$m (IFRS)	1H12	Change vs 2H11	Change vs 1H11	2H11	1H11
Dividends and distributions received	70	+1%	-59%	70	170
Costs (Interest, corporate, other)	(19)	-6%	-14%	(21)	(23)
Cash from Operations	51	+4%	-65%	49	147
Payments for Investments in Associates	(110)	+176%	+1%	(40)	(109)
Free Cash Flow*	(59)	-752%	-257%	9	38

- Underlying loss of \$8m
 - Excludes embedded derivatives and retirement benefit obligations
- Underlying result affected by significant items
- Dividends & distributions received of \$70m

Alumina Limited Net Debt

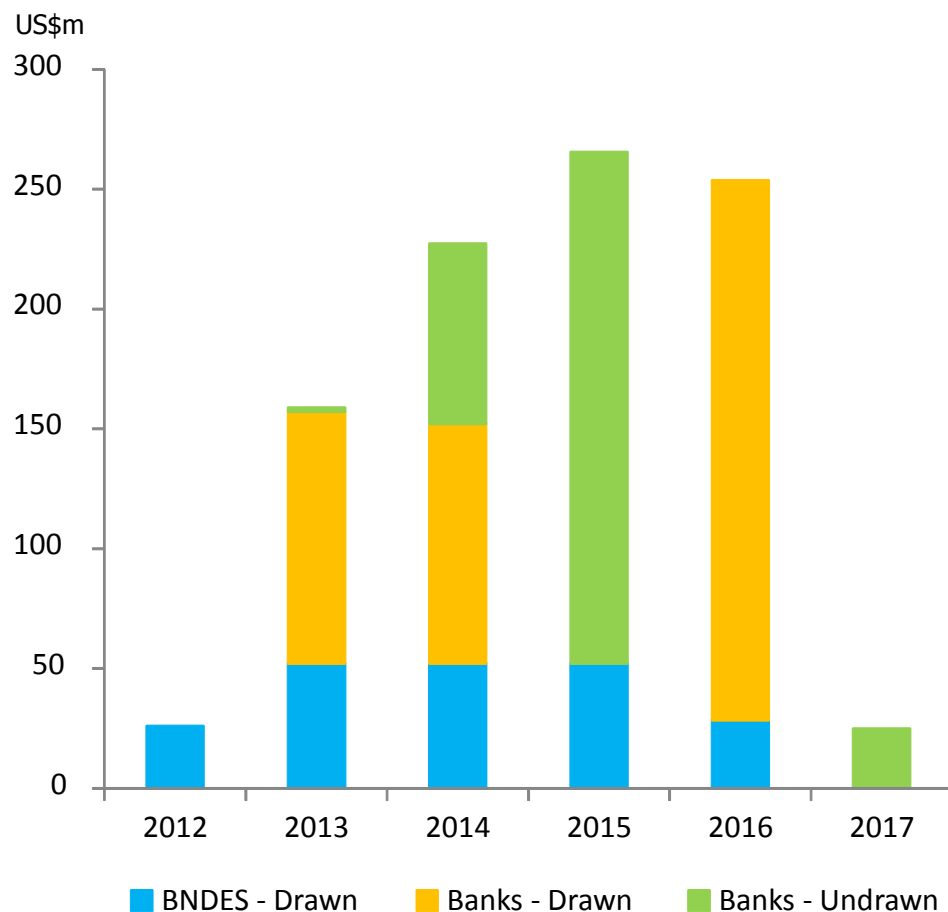
Net Debt Changes in 1H 2012



- Net debt of \$602m
- Gearing 18%

Alumina Limited Debt Maturity Profile

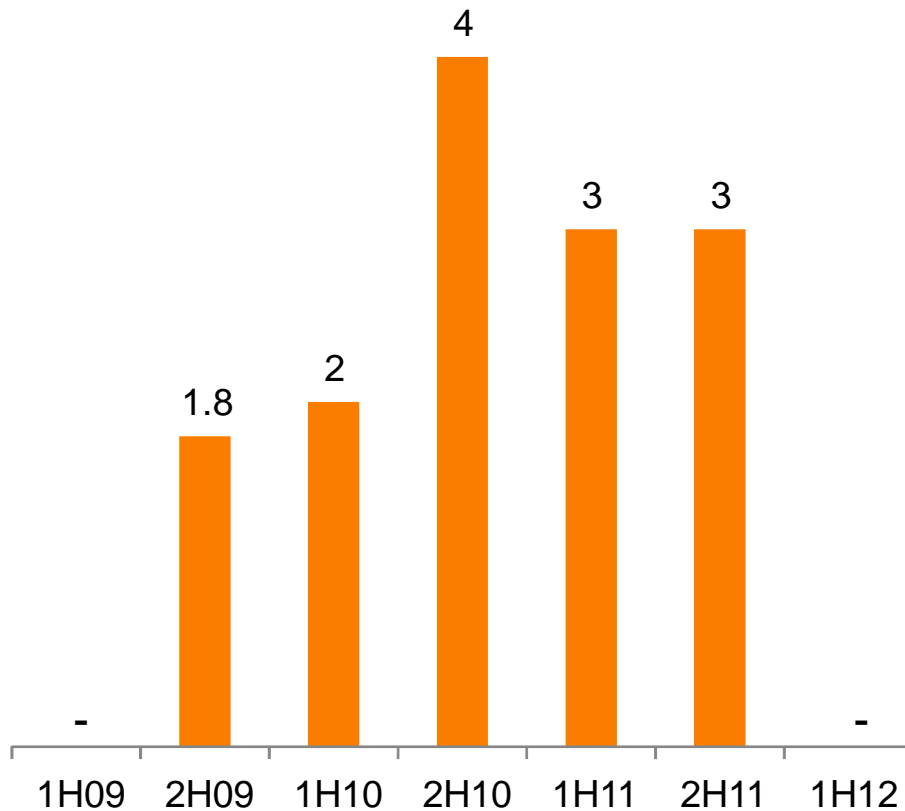
Debt Profile: 30 June 2012



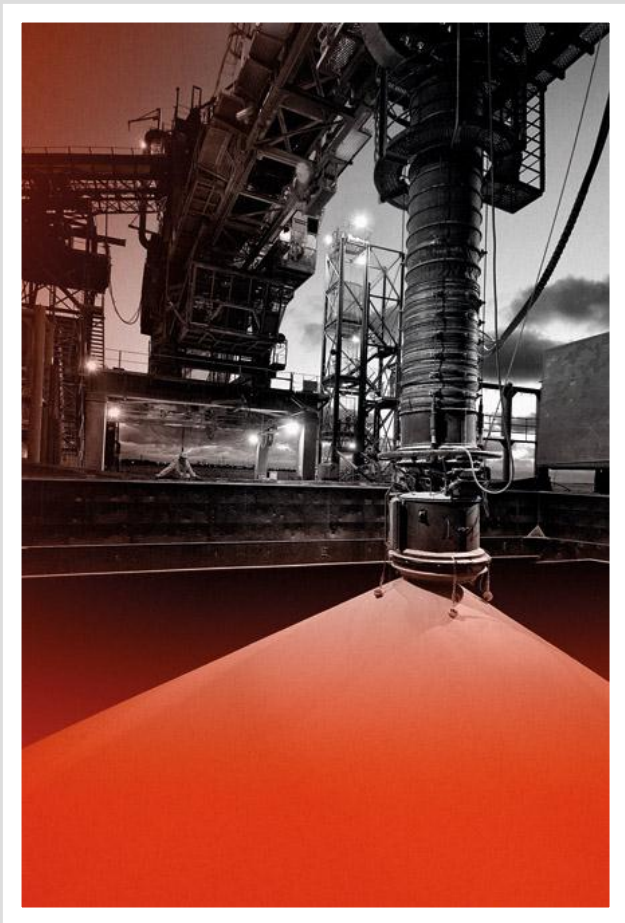
- Addition of \$200m in new facilities
- \$315m undrawn committed facilities available
- No facilities expire until November 2013
- BNDES facility amortises at approximately \$52m per annum

Alumina Limited Dividends

Dividends Paid (cps)



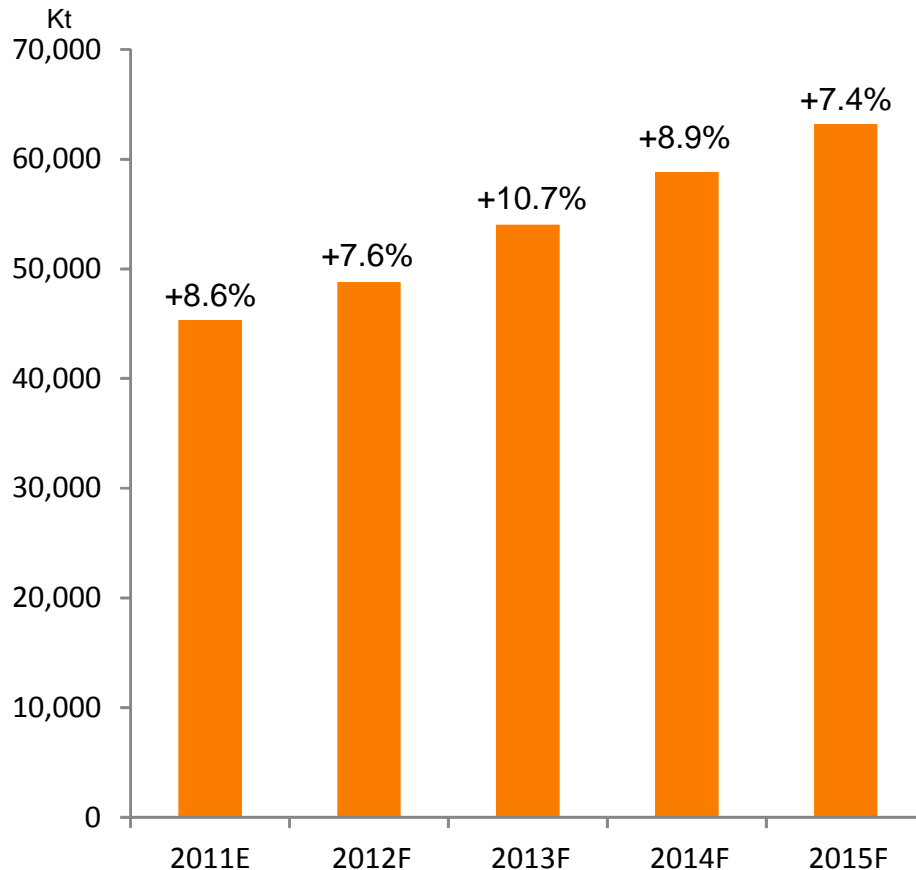
- No interim dividend
- Priority is to prudently manage cash flow



Global Alumina Market Dynamics

Long Term Aluminium Demand Forecast to Grow

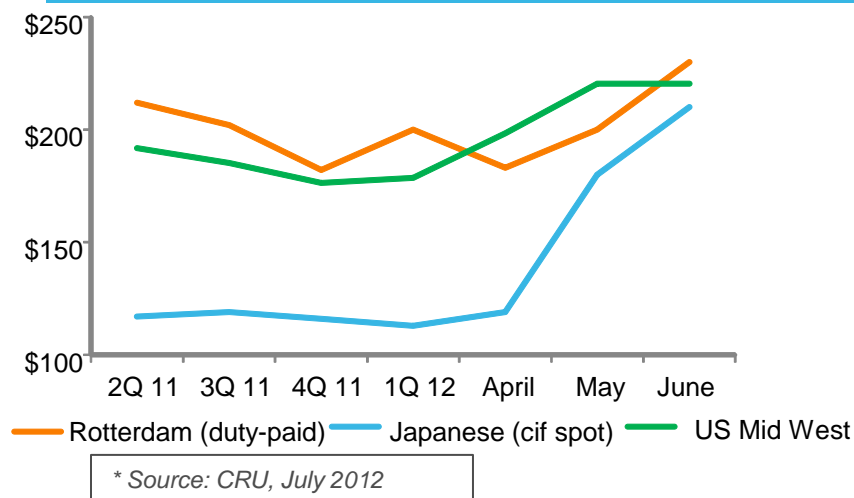
Global Aluminium Consumption Forecast



- Despite economic downturn, global aluminium demand continues to grow given end use demand
- Production curtailments occurring at high cost smaller smelters in Europe, Australia, etc as pricing made smelters cash negative
- New low cost and large scale smelter capacity being added in the Middle East and Western China

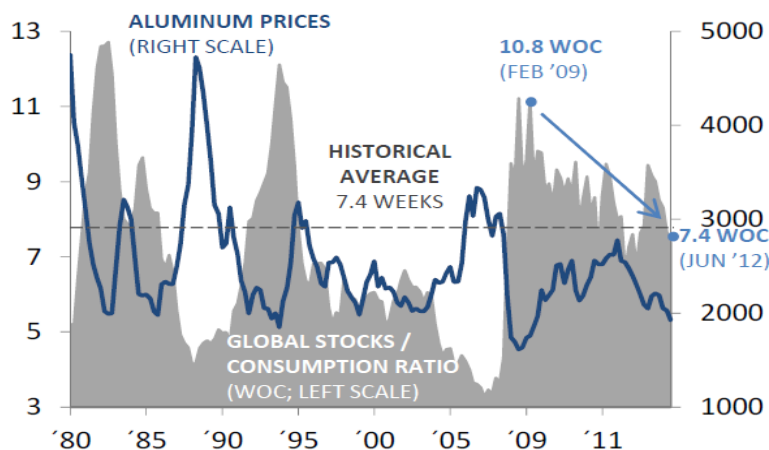
Current Demand for Aluminium Remains Firm

Aluminium Regional Premiums* (US\$/t)



Aluminium Inventories and Consumption

Global Aluminum Stocks/Demand Ratio vs Real LME 3M Prices (weeks of consumption vs \$/ton)

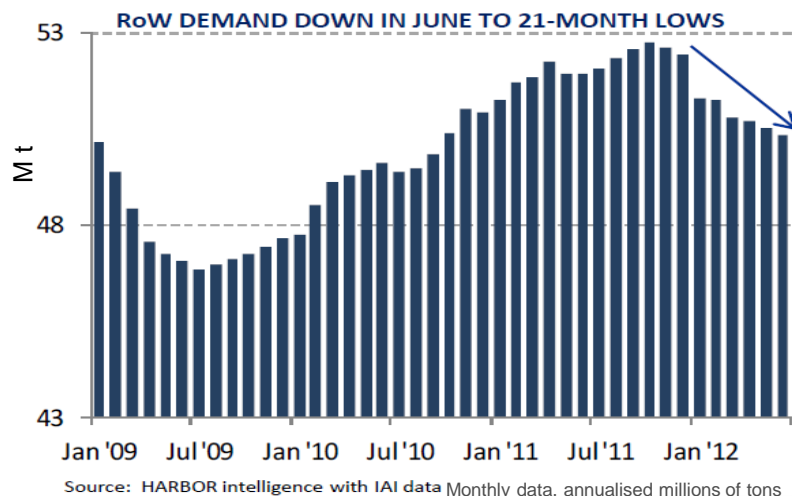


Source: HARBOR intelligence with IAI, LME, SHFE and Bloomberg data

- Physical demand for aluminium remains firm:
 - regional premiums up sharply in past 12 months and scrap prices remain high
 - level of aluminium stocks falling
- Aluminium pricing currently impacted by bearish macro-economic sentiment and outlook driving speculative trading

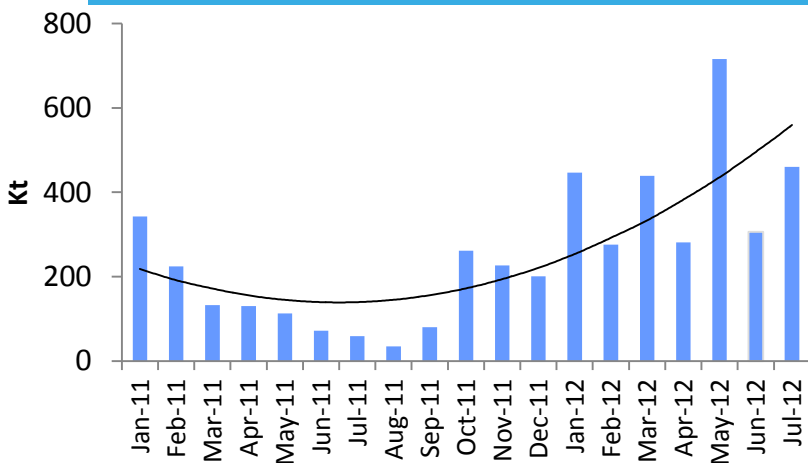
Alumina Market: Underpinned by Chinese Imports

RoW Alumina Demand

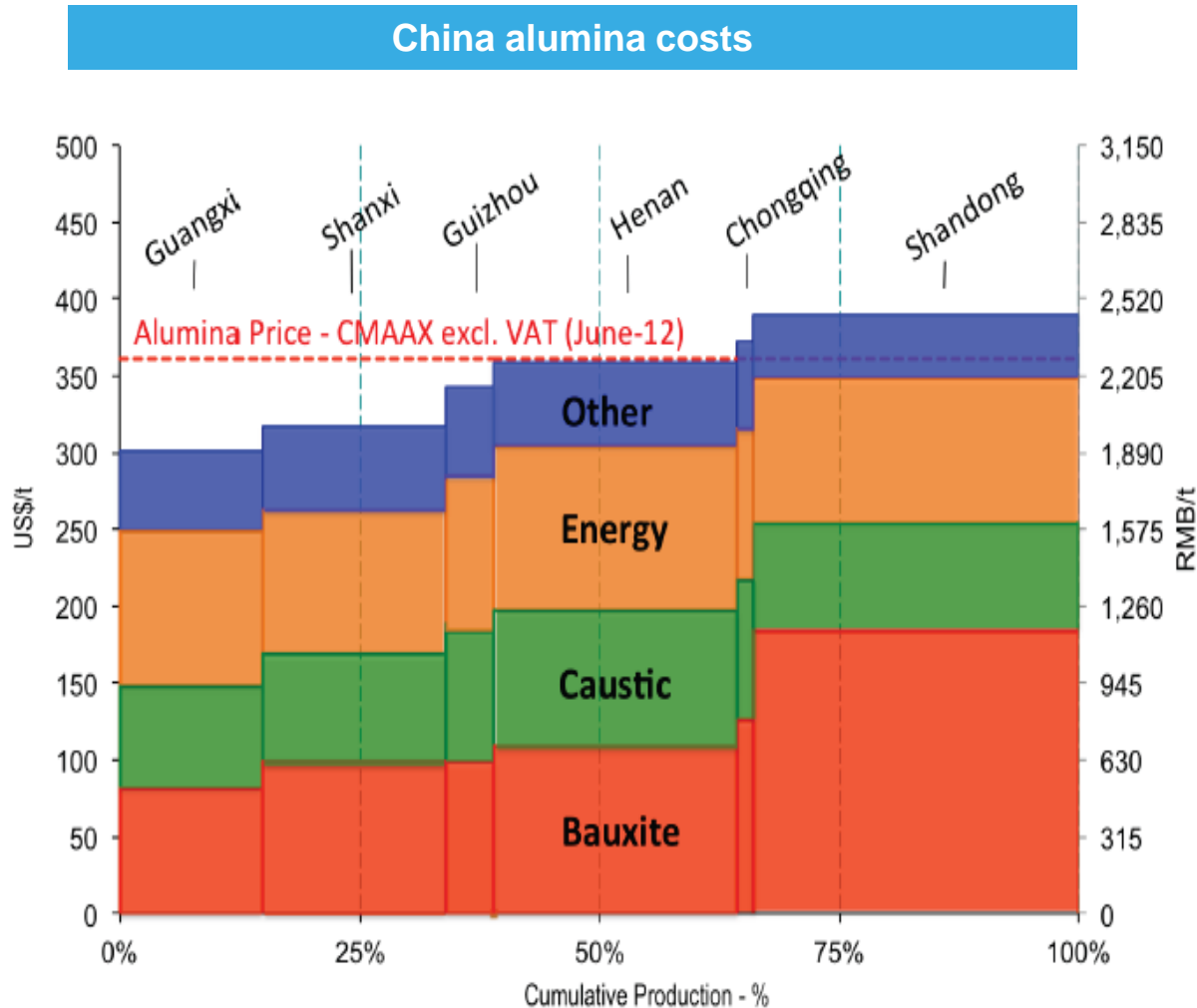


- Rest of the world alumina production has been reduced
 - Alumina demand (excluding China) is weaker as aluminium smelters outside China have curtailed
 - Increased likelihood of alumina refinery curtailments or slowed production while prices are below marginal cost for some industry players
- China imports have been increasing offsetting RoW decline
 - China alumina imports increased 23% in 1H 2012
 - China imports up due to several factors, including pricing arbitrage and Indonesian bauxite concerns

China Alumina Imports



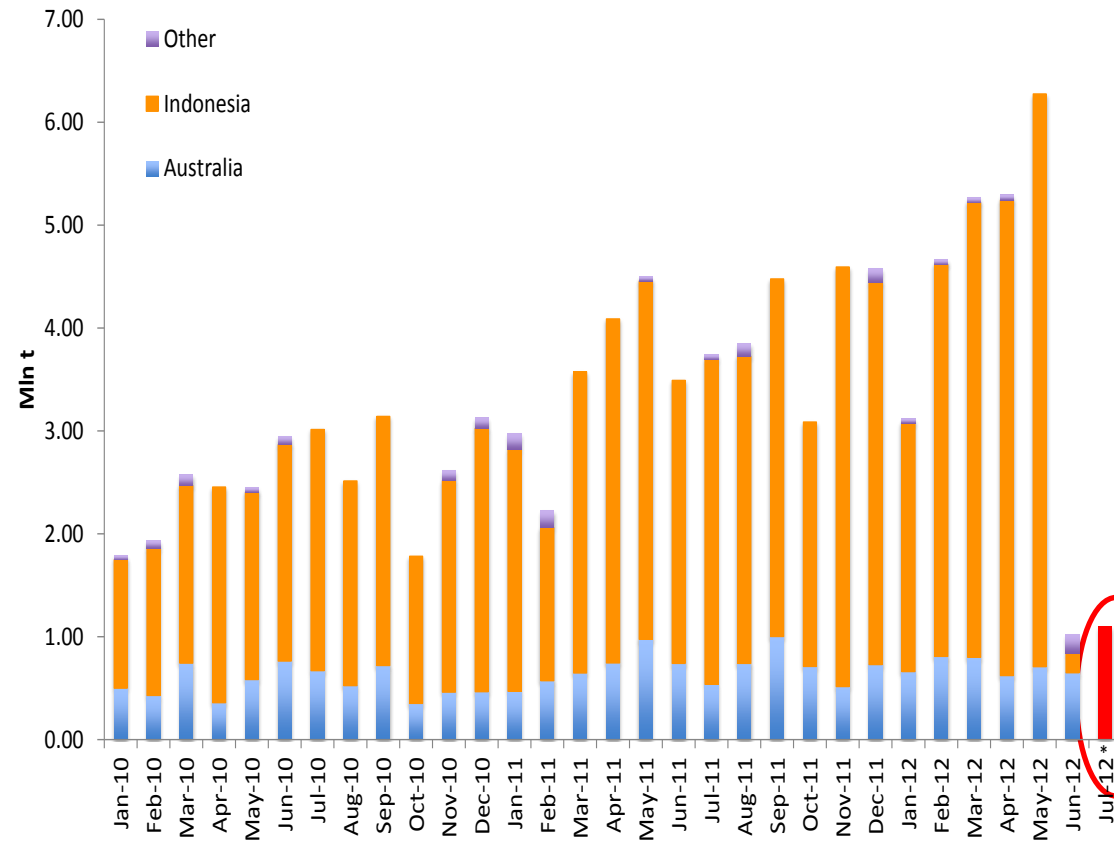
Chinese Production Costs Remain High



- China's marginal alumina production costs remain relatively high at \$390 (excluding VAT)
- Up to 5m tonnes (net) of higher cost China capacity has curtailed in past year, including most in Q2 2012

Bauxite Supply Pressure Due to Indonesian Changes

China Bauxite Imports



■ Rising bauxite costs could create further 'cost push' on Chinese alumina production and pricing

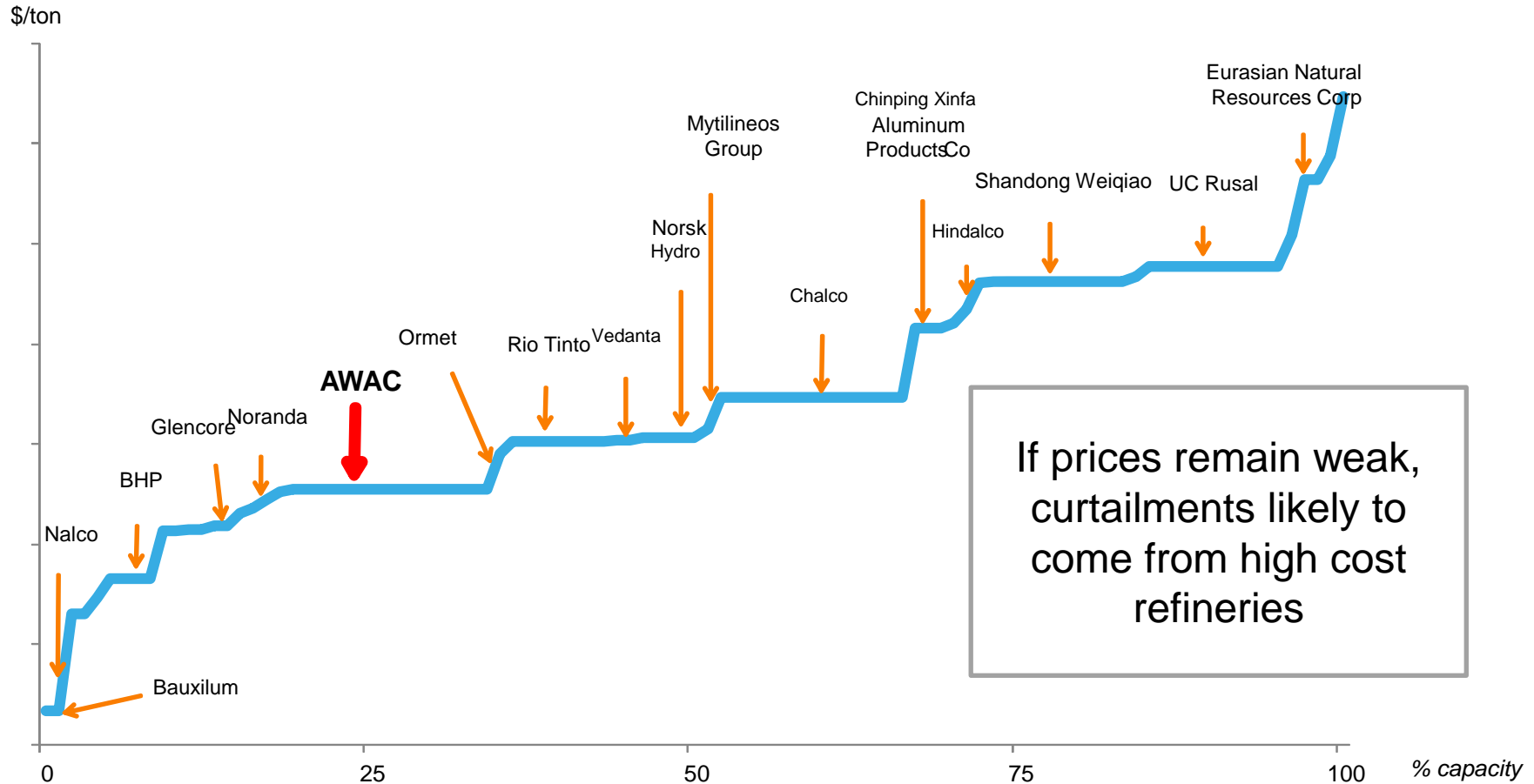
- 34% of China's 2011 alumina production relied on imported bauxite
- China bauxite imports increased by 53% in 2010, 49% in 2011 and 23% in 1H 2012,
- 75% to 80% of China's seaborne bauxite has come from Indonesia where new export taxes and restrictions will increase costs
- China imports of Indonesian bauxite down 93% in June 2012 due to impact of Indonesian ban, creating new pressure on bauxite supply

AWAC Benefits if Value Moves Upstream to Bauxite



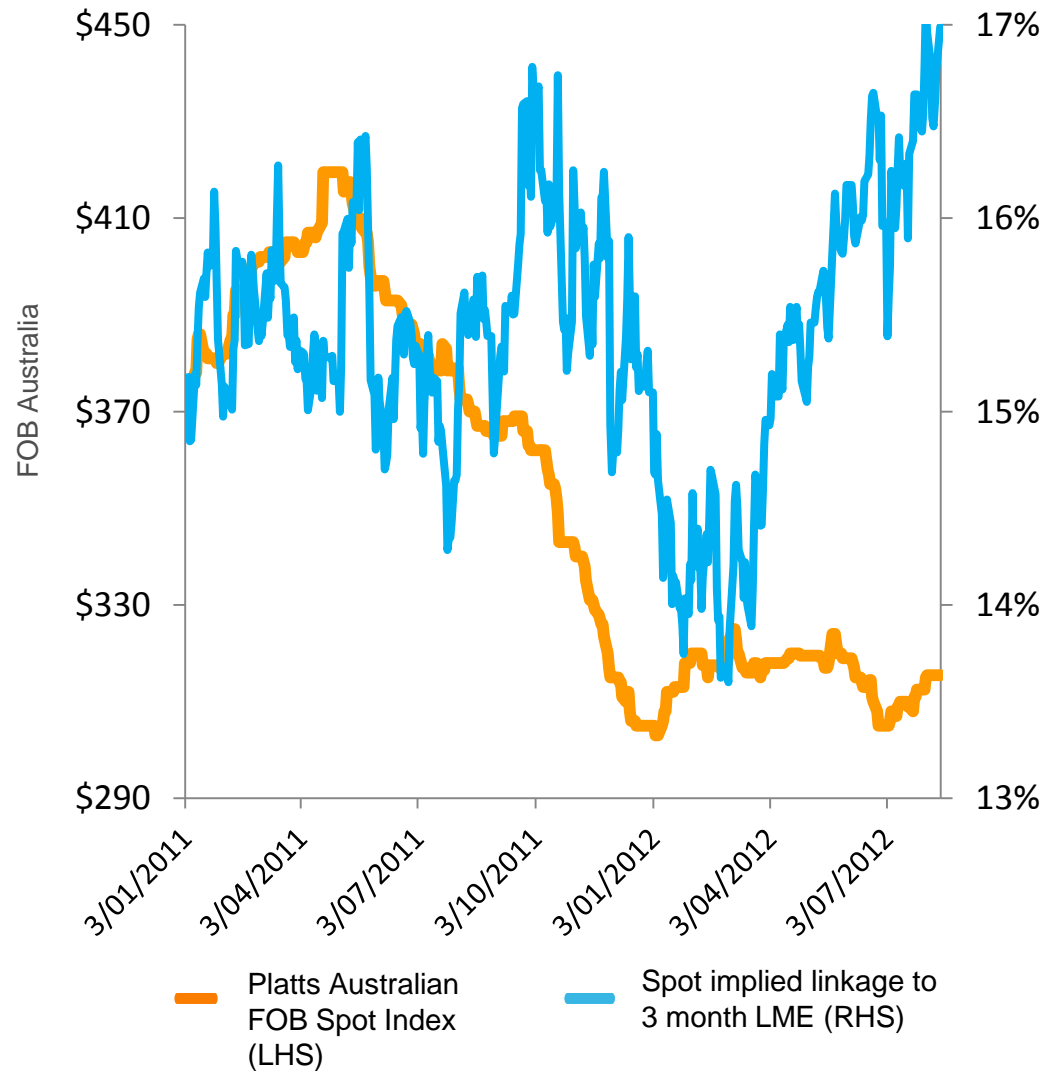
- Alternate sources to Indonesian bauxite unclear
- AWAC self-sufficient in bauxite from extensive global bauxite assets
- AWAC competitive position on alumina cost curve could improve
 - rising seaborne bauxite prices will increase AWAC's comparative cost advantage as compared to non-integrated competitors
 - if seaborne bauxite price increases are material, China alumina imports may increase
 - AWAC's low position on cost curve means it will benefit more than most

AWAC is Already Low on Global Alumina Cost Curve



Global metallurgical alumina refining output cash cost curve by company 4Q 2011

AWAC Drive to Spot/Index Pricing Improving its Position



- Price in mid August implies linkage of ~17%
- 2011 and 2012 (YTD) alumina spot implied linkage to 3 month LME aluminium has been consistently above 2010 historical linked contract levels (13.4% ABARE)
- 2012 spot/index has been relatively stable, despite recent aluminium price falls
- Progress on transition of AWAC contracts to spot/index pricing
 - by year end 2012, approx 40% of third party SGA shipments expected to be on index/spot

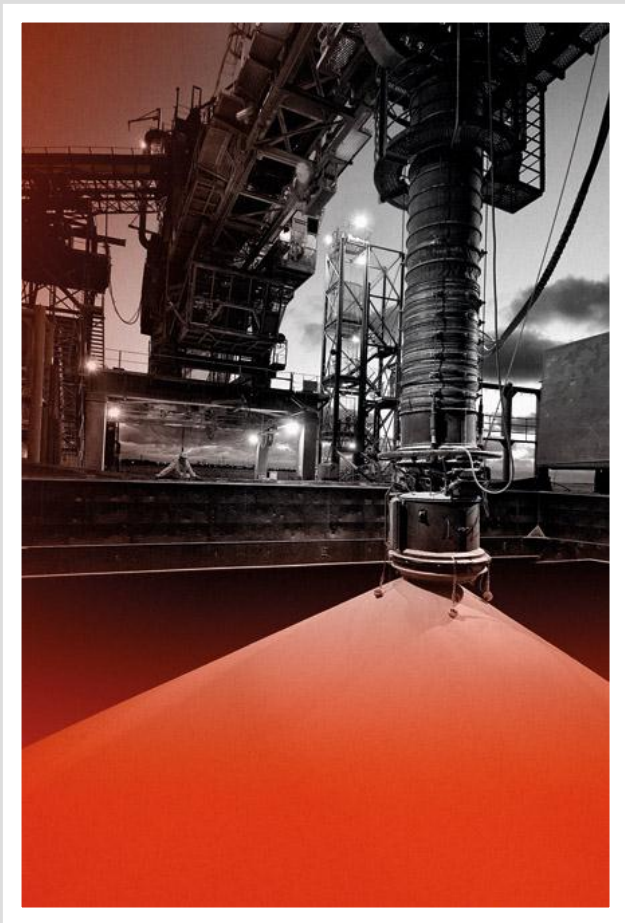
Resilient Through the Cycle



- 1H 2012: AWAC's continued resilience through the cycle
 - EBITDA \$161m despite challenging market conditions and smelter losses
 - Cash from operations exceeded sustaining capex
 - Continued strong gains from productivity

- 2H12 Outlook
 - Outlook remains uncertain – focus on cash management and productivity remains

- Potential catalysts for improvement
 - **Refinery curtailments:** where prices remain below marginal cost for sustained period
 - **Aluminium 'demand pull':** based on aluminium demand growth outlook
 - **Bauxite 'cost push':** Indonesian situation impact on seaborne bauxite supply
 - **Global cost curve:** AWAC low cost producer with action being taken to move further down cost curve
 - **AWAC transition to spot/index pricing:** proportion of higher margin indexed/spot sales increasing

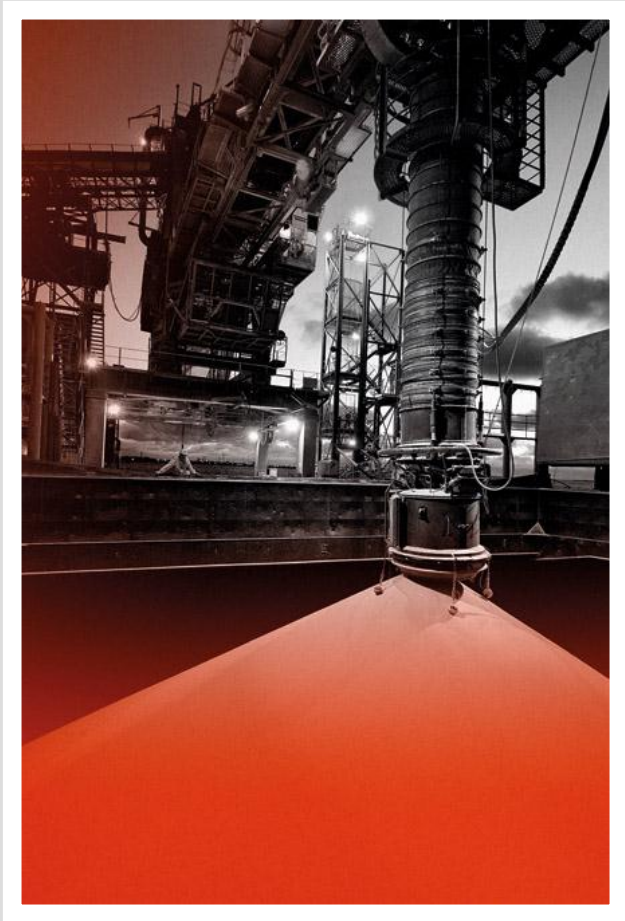


Alumina Limited

2012 Half Year Results

John Bevan
Chief Executive Officer

Chris Thiris
Chief Financial Officer



Appendix 1

**AWAC is a Global Leader in
Alumina & Bauxite**

AWAC: Global Leader in Bauxite and Alumina



AWAC is a premier owner and operator of Tier 1 bauxite mines and alumina refineries globally

- **Bauxite**
 - World's largest bauxite miner
 - Produces approx 40m tonnes pa
 - Long life mines and leases
- **Alumina**
 - Largest seller to the third party alumina market
 - Produced 15.7m tonnes in FY11
 - AWAC is a low cost producer (~30th percentile) giving it strength in the industry
- Alumina Limited provides a unique ability for a pure investment in Alcoa World Alumina & Chemicals (AWAC) – a JV between Alumina Limited (40%) and Alcoa Inc (60%)

AWAC Bauxite Mines & Leases⁽¹⁾

Active Bauxite Mines	Huntly & Willowdale Australia	MRN Brazil	Juruti Brazil	CBG Guinea	Manchester Plateau Jamaica	Suriname Mines
Ownership	AWAC 100%	AWAC 9.6%	AWAC 100%	AWAC 23%	AWAC 55%	AWAC 100%
Expiration/ renewal date of mining rights	2045	2046	Refer Note ⁽²⁾	2038	2042	2033 ⁽³⁾
Area available to mine/exploration	7,000 square km	39,382 hectares	30,000 hectares	2,360 square km	10,761 hectares	4,286 hectares
Approx average per cent available alumina ⁴	33%	49%	47%	51%	41%	45%

Other Bauxite Interests	Cape Bougainville	Mitchell Plateau	Arnhem Land	Juruti	East Trelawny	Suriname Mines	Az Zabirah
Location	Australia	Australia	Australia	Brazil	Jamaica	Suriname	Saudi Arabia (25.1% AWAC)
Area available for exploration	9,000 hectares	186,000 hectares	1,930 square km (exploration lease application)	180,000 hectares	31,400 hectares	19,063 hectares	14,700 hectares

(1) This page contains general information only in relation to AWAC's bauxite assets. For further details, refer to Alumina Limited's 2011 Form 20-F

(2) Mining rights available until exhaustion of deposit

(3) Caramacca mine rights expire in 2012

(4) The calculation of available alumina grades has not been prepared in accordance with the Australasian Code for reporting of exploration results, mineral resources and ore reserves. The amount of available alumina is based on exploration and analysis of samples performed over a period time

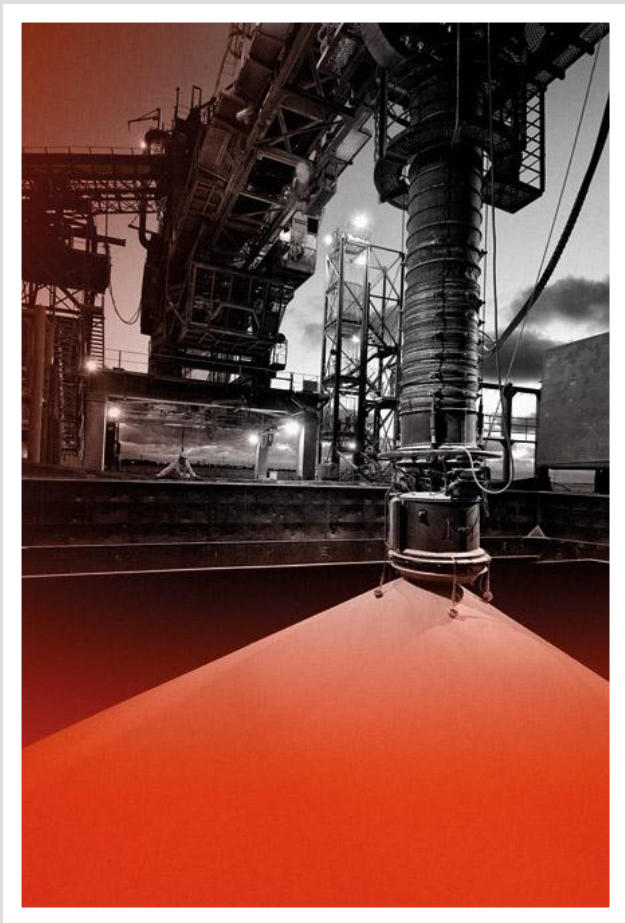
AWAC Alumina Refineries

Country	Facility	Owners (%) of ownership where not 100% AWAC) ⁽¹⁾	Nameplate Capacity ⁽²⁾ (M TPY)*	AWAC Share (M TPY)*
Australia	Kwinana Pinjarra Wagerup	AWAC	2.2	2.2
			4.2	4.2
			2.6	2.6
Brazil	Alumar	Rio Tinto Alcan Inc (10%) Aluminio (15%) BHP Billiton (36%) AWAC (39%)	3.5	1.4
Jamaica	Jamalco	AWAC (55%) Clarendon Alumina Production Ltd (Government of Jamaica) (45%)	1.5	0.8
Spain	San Ciprian	AWAC	1.5	1.5
Suriname	Suralco	AWAC	2.2	2.2
US	Point Comfort	AWAC	2.3	2.3
Total			20.0*	17.2*

⁽¹⁾ All assets owned 100% by AWAC, except for Alumar (AWAC 39%) and Jamalco (AWAC 55%)

⁽²⁾ Nameplate capacity is an estimate based on design capacity and normal operating efficiencies and does not necessarily represent maximum possible production

* Before any adjustment for curtailments as per Alcoa's announcement on 5 April 2012 where it stated it would reduce its annual alumina production capacity by approximately 390,000 metric tons in the Atlantic region to align production with smelter curtailments Alcoa announced earlier this year and to reflect prevailing market conditions



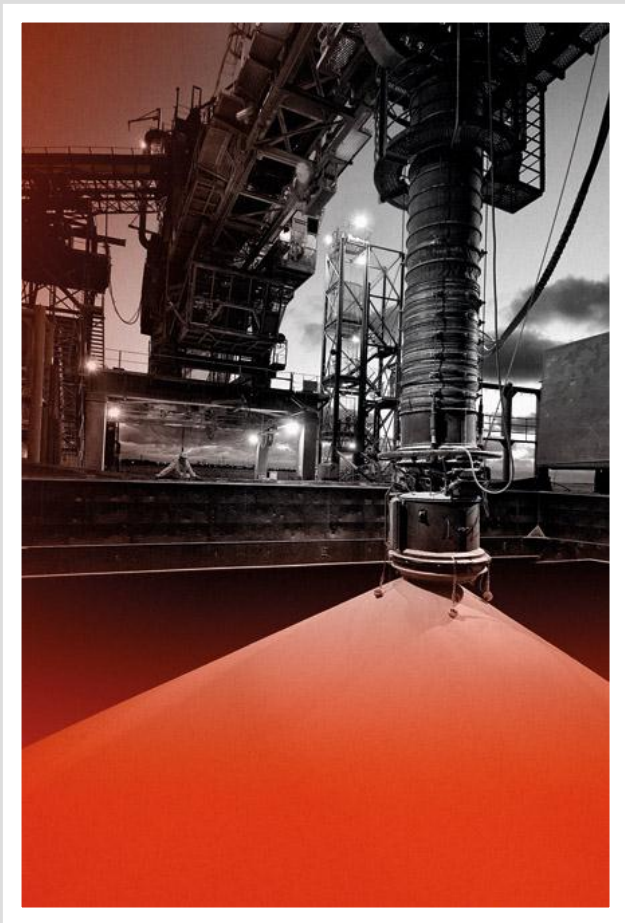
Appendix 2

Reconciliation to Alcoa reporting

Reconciliation of Alcoa “Net Income Attributable to Non-controlling Interests”

	1H 2012	2H 2011	1H 2011	2H 2010	1H 2010
Alcoa reported Net income attributable to non-controlling interests (US GAAP)	-\$12m	\$81m	\$113m	\$82m	\$56m
Accounting Adjustments (IFRS) ¹ :					
Foreign Tax Differences ¹	\$28m	(\$9)m	(\$10)m	(\$42)m	-
Inventory (LIFO to FIFO)	\$1m	\$3m	\$1m	(\$8)m	(\$2)m
Other	-\$1m	(\$2)m	\$1m	\$4m	(\$4)m
Adjusted amount²	\$16m	\$73m	\$105m	\$36m	\$50m
Alumina Underlying Earnings (pre funding and corporate costs)³	\$14m	\$71m	\$103m	\$38m	\$49m

- The Foreign Tax differences includes AWC’s 40% of the recognition of \$69m Brazil deferred tax credit adjustment*
- Net adjustments made by Alumina Limited to arrive at underlying earnings, which is not an IFRS requirement*
- Alumina’s share of net profit of associates accounted for using the equity method (before its own costs), adjusted for certain non-cash items to arrive at underlying earnings, which is not an IFRS requirement*



Appendix 3

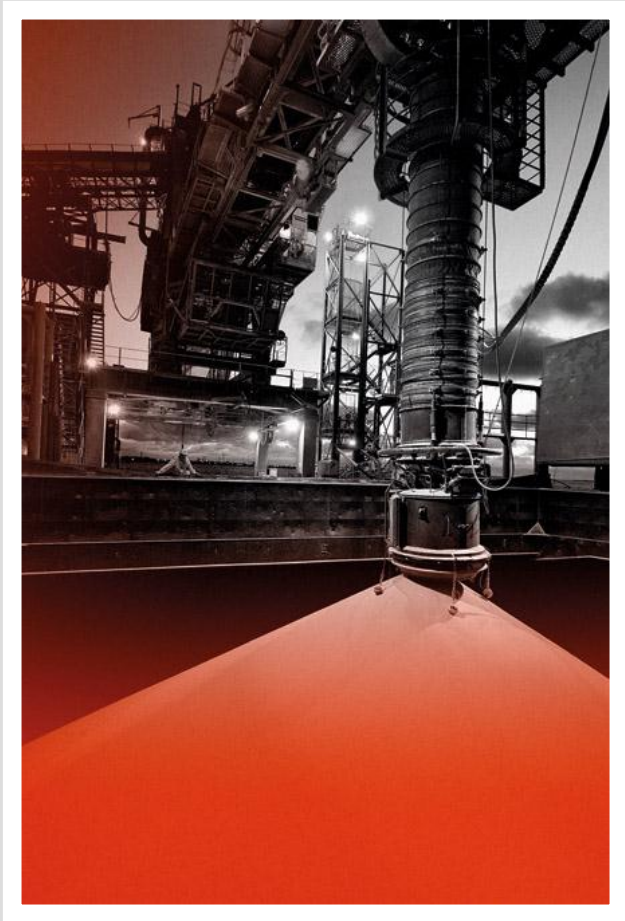
Guidance

2012 AWAC Guidance

Item	February 2012 Guidance	August 2012 Guidance
Production rate - alumina	Current annualised operating rate of approximately 15.9m tonnes	Current annualised operating rate of approximately 15.5m tonnes, but will be adjusted to meet demand
Production - aluminium	360,000 tonnes	360,000 tonnes
Sensitivities: +\$100 LME-aluminium price per tonne ¹	approximately +\$102 million profit before tax	approximately +\$102 million profit before tax
Sensitivities: +1¢ in A\$/US\$ ²	-\$19 million profit before tax	-\$19 million profit before tax
Third party smelter grade alumina sales expected to be based on alumina price indices or spot ³	Approximately 40% by end 2012	Approximately 40% by end 2012

2011 averages were LME: \$2,422 per tonne; A\$1 = US\$1.03

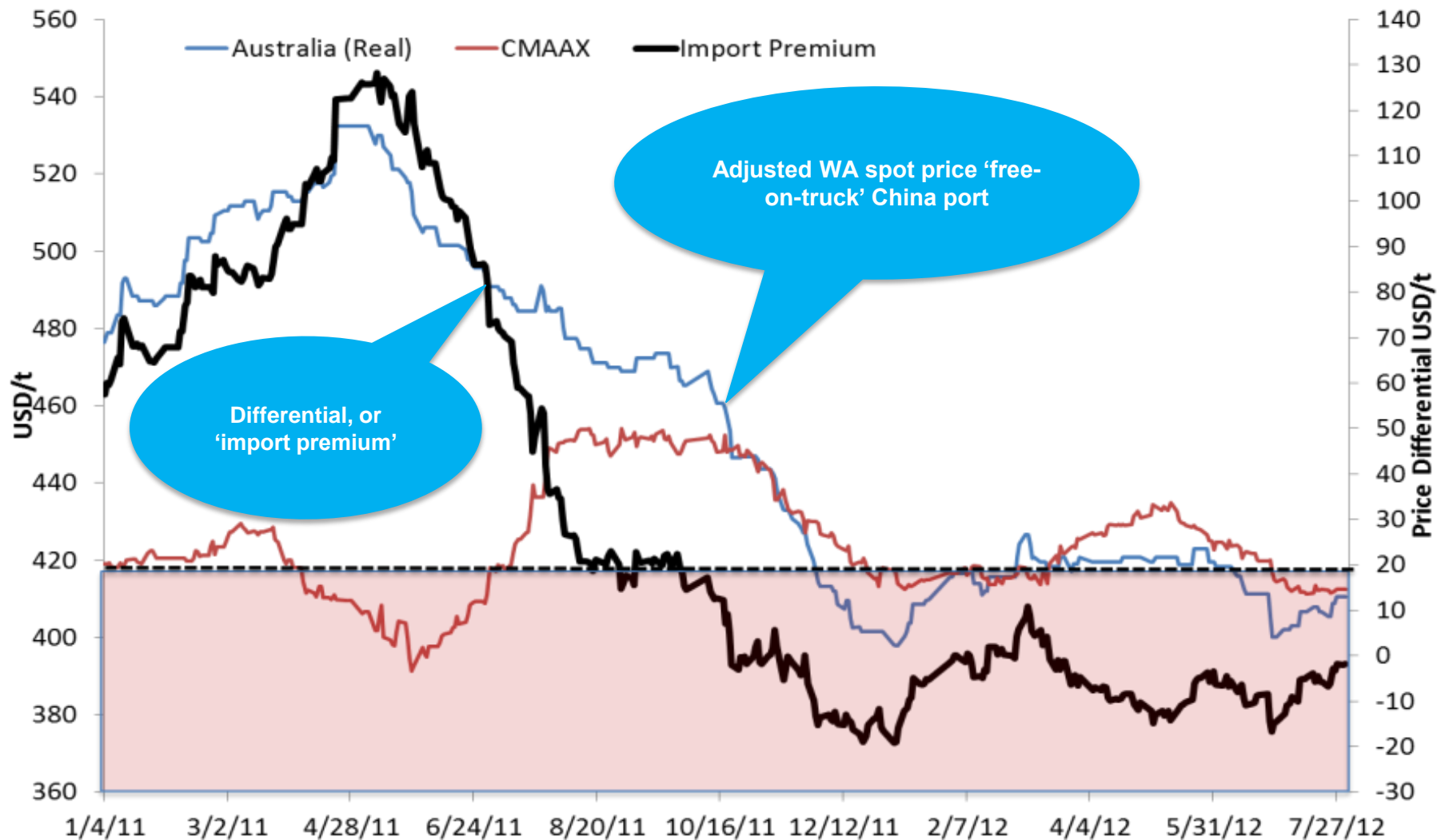
- ¹ This sensitivity covers alumina sales that are priced as a percentage of aluminium, and aluminium sales. It also includes exposure to LME Aluminium in the pricing formula mechanisms in a number of long term contracts for the purchase of energy. It excludes alumina sales where the price is based on spot or alumina indices. Assumes keeping everything else constant
- ² AWAC's profit and asset valuation is also exposed to fluctuations in other currencies such as the Brazilian Reals and Euro. However no sensitivity is provided
- ³ AWAC commenced 2012 with approximately 20% of its SGA third party sales volume based on alumina price indices or available for spot sales



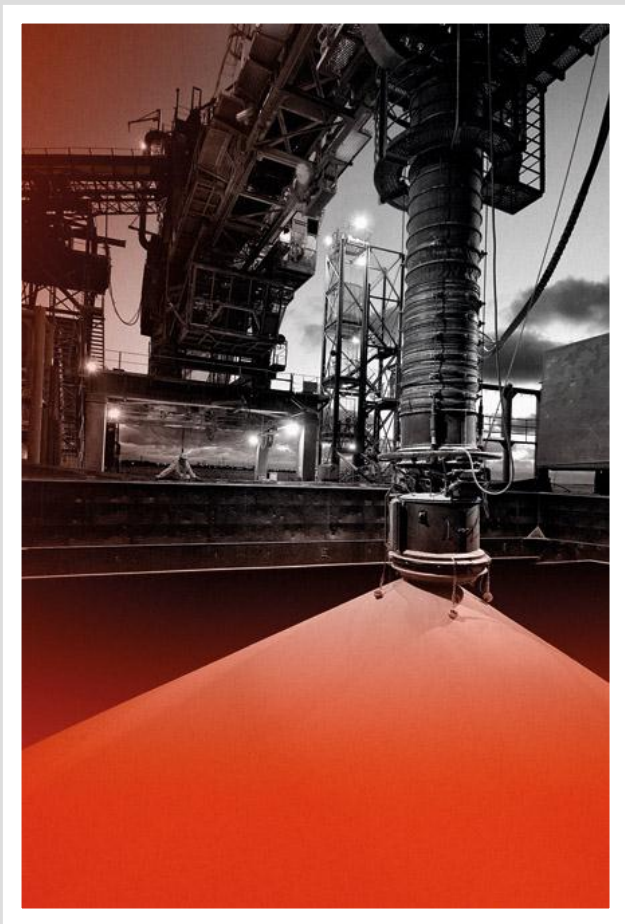
Appendix 4

Pricing Index Comparisons

Adjusted Spot Alumina Import Prices*



* Platts FOB Australia prices have been adjusted to reflect a Chinese port price.



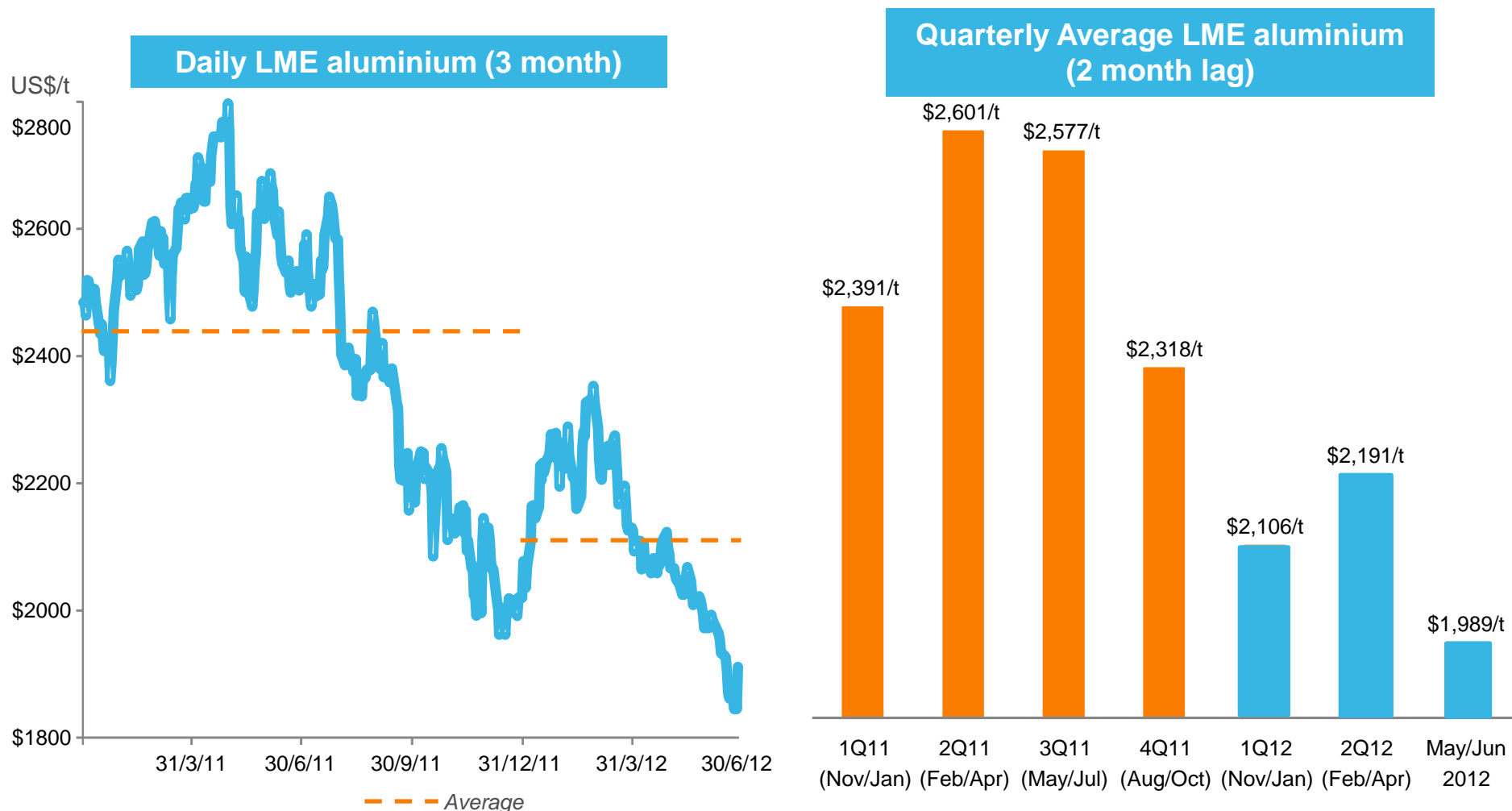
Appendix 5

1H 2012 Market Data on Commodity Prices and Foreign Exchange Rates

(selected slides from those lodged with ASX on 10 July 2012)

LME Aluminium Prices (3 month)

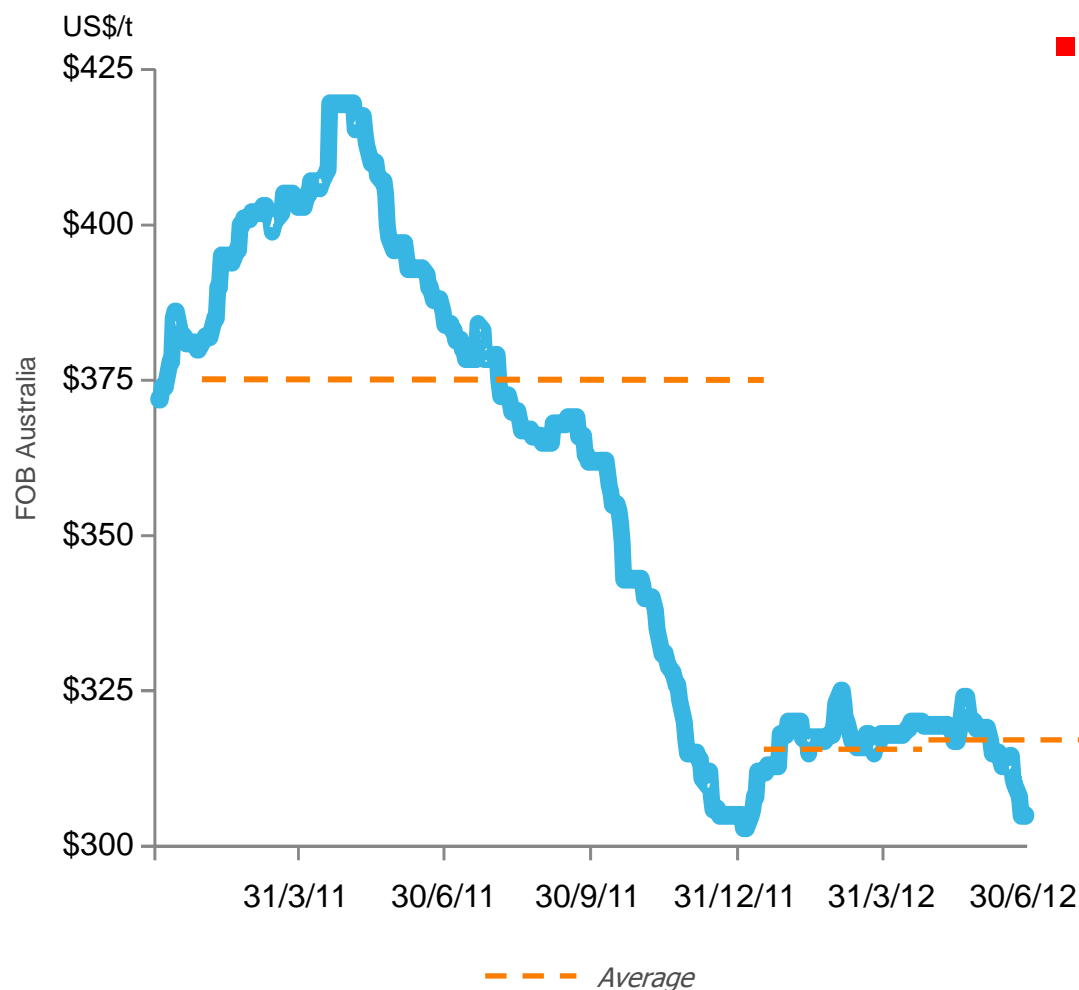
Majority of AWAC's 3rd party SGA shipments are linked to 3-month LME aluminium price, though proportion is reducing



Commodity and FX prices in this slide pack are based on published market prices and may not equate to actual pricing under AWAC contracts

Platts Alumina Spot / Index Price

~40% of AWAC customers to be on spot or alumina price index basis by end of 2012



■ Approx proportion of 3rd party SGA shipments priced off spot or index basis:

- By end of 2011: 20%.
- Q1f 2012: 33%*
- Q2f 2012: 34%**
- Q3f 2012: 34%***

*Alcoa 4Q 2011 Results slide pack

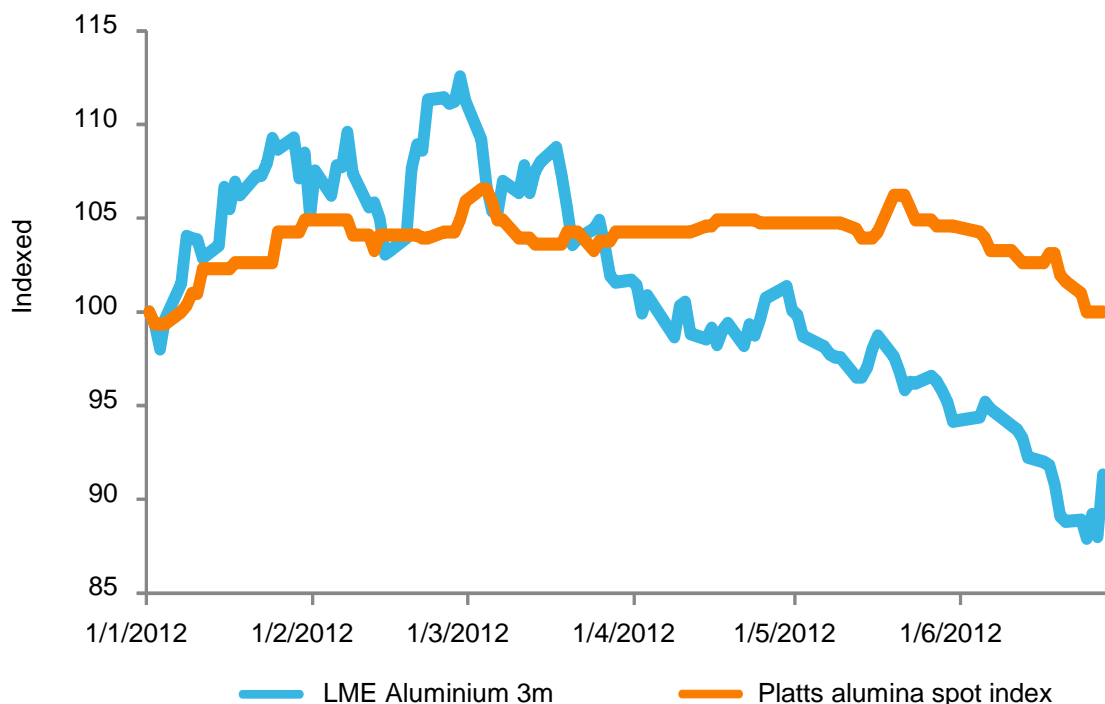
** Alcoa Q1 2012 Results slide pack

*** Alcoa Q2 2012 Results slide pack

Aluminium vs Alumina: Recent Price Movements

Spot based alumina prices have been relatively stable compared to LME aluminium price

LME aluminium (3 month) vs Platts alumina spot index

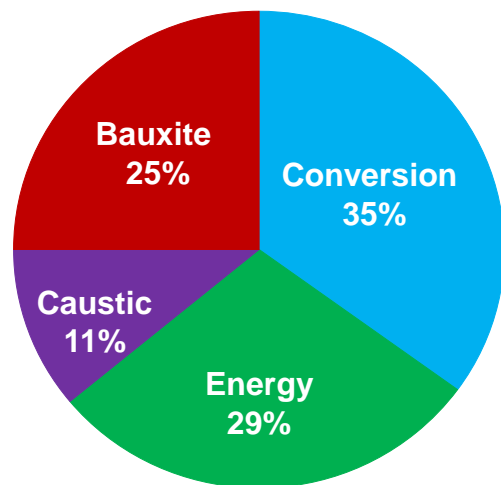


- Aluminium price has been partially affected by macro economic sentiment and finance deals
- Alumina Platts price assessments reflect physical supply and demand dynamics and other alumina fundamentals

Source: LME Aluminium: Thomson Reuters July 2012. Alumina: Platts July 2012

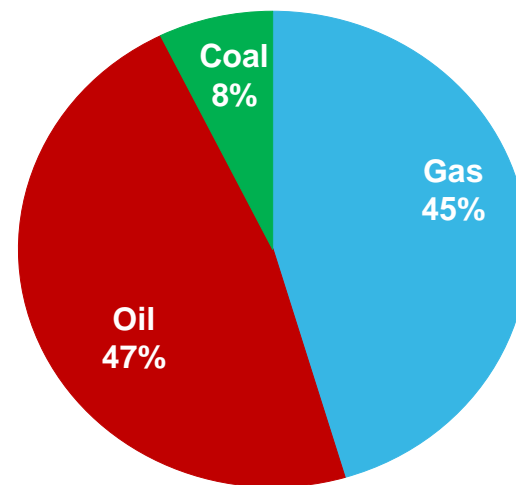
AWAC Refinery Cost Structure

Cost of Production*



Proportions can vary from period to period depending on a number of operating factors

Energy Spend**



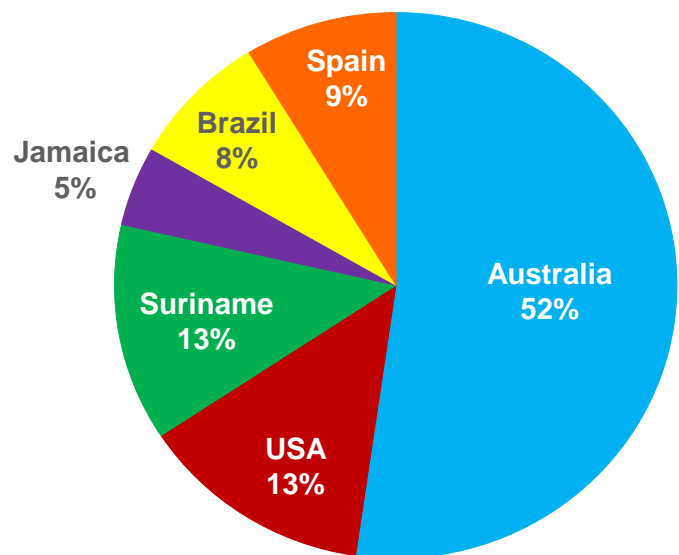
Prime energy sources:

- Gas: Western Australia and United States
- Oil: Jamaica, Spain and Suriname
- Coal: Brazil

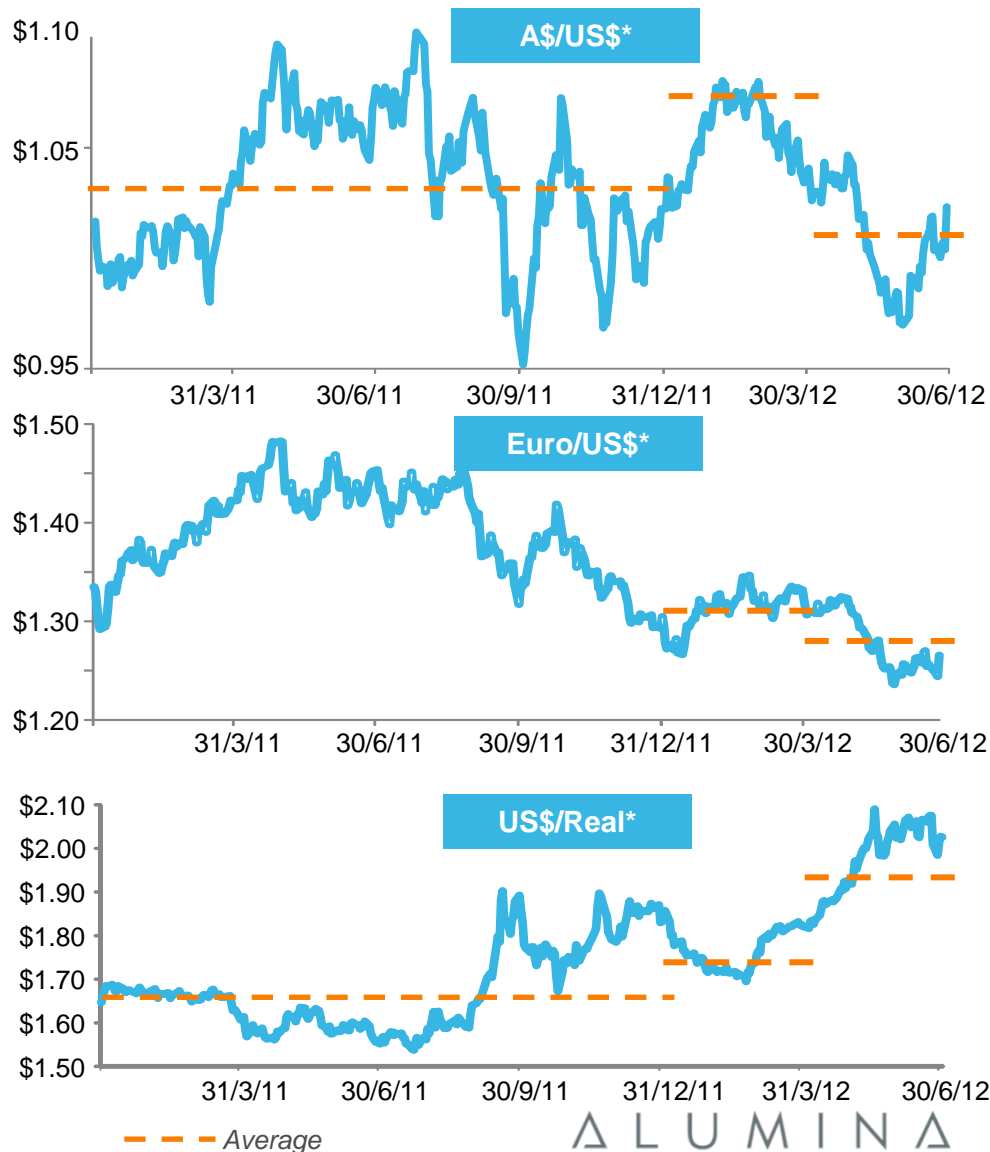
Foreign Exchange

AWAC is exposed to foreign currency fluctuations

Refinery Nameplate Capacity^

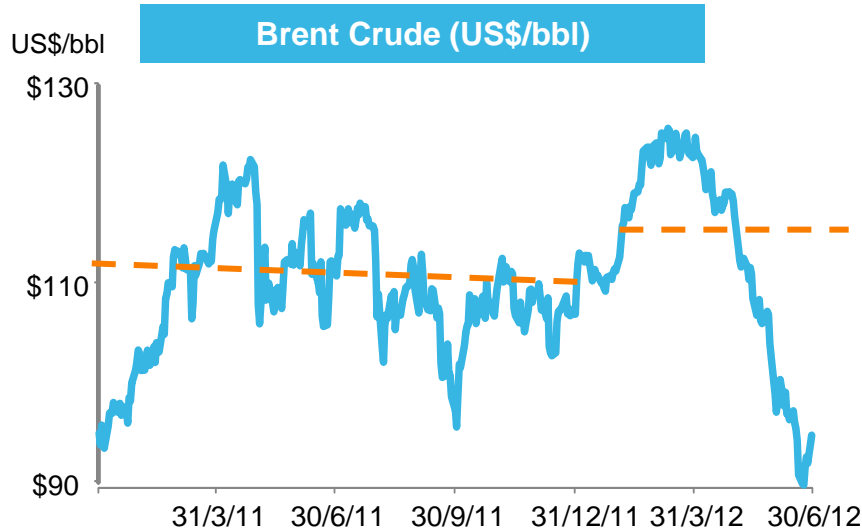


^Alumina 2011 Full Year Results



Energy

Oil and gas prices have been weaker recently

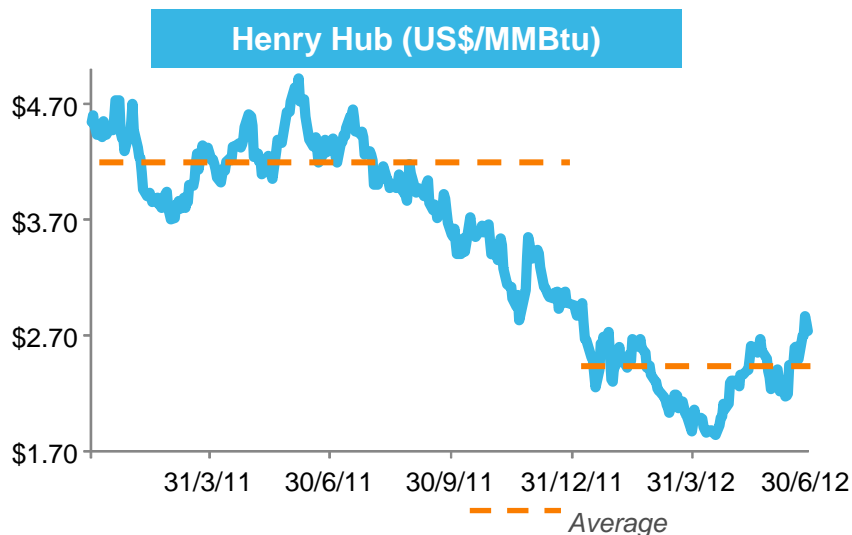


- **AWAC Refineries using Oil**

- Spain
- Suriname
- Jamaica

- **Costing is based on prior month spot, inventory reflects 1-2 months' price lag**

Note: Brent Crude is used as an indicative proxy for movements in energy prices



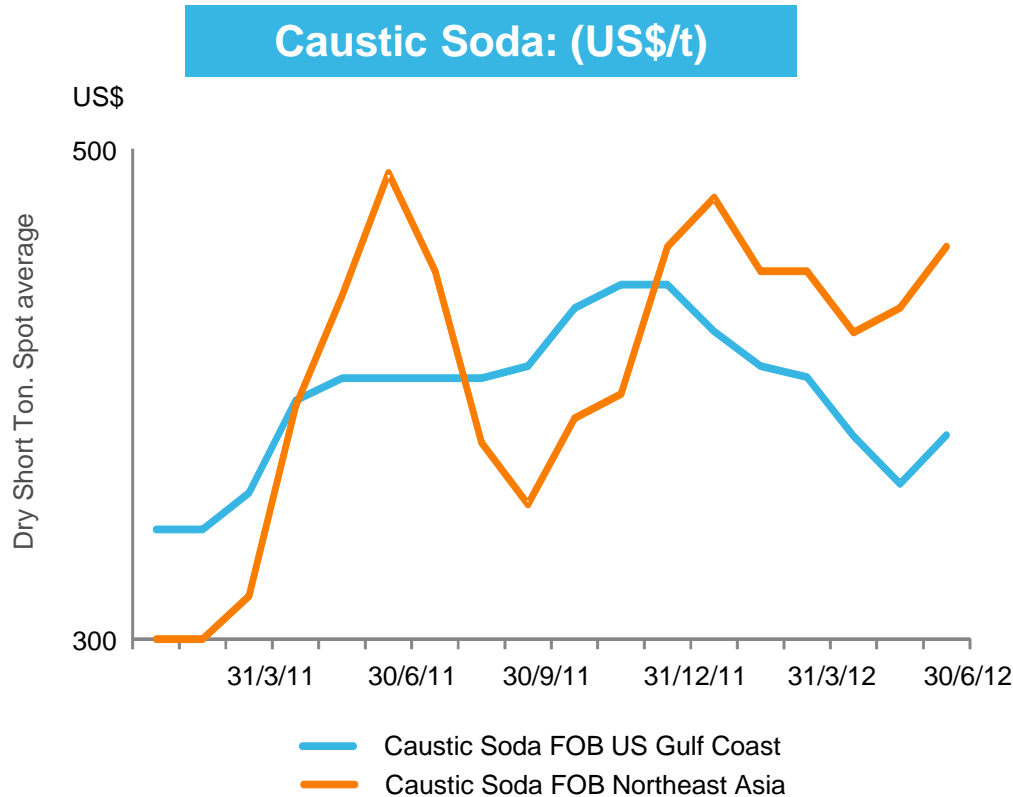
- **Point Comfort refinery on Henry Hub Gas**

Source: Thomson Reuters, July 2012

Commodity and FX prices are based on published market prices and may not equate to actual pricing under AWAC contracts

Caustic Soda

Caustic soda prices fluctuate with chlorine demand and seasonal factors



- AWAC pricing convention is based on spot and semi-annual reviews
- AWAC inventory reflects 3-6 months' price lag