

To: The Manager  
Announcements  
Company Announcements Office  
Australian Stock Exchange



## Public Announcement 2009 – 39AWC

Attached is a presentation by Alumina Limited's CEO, John Bevan, in Hong Kong and Singapore during the Morgan Stanley Asia Pacific Summit

*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 2008.*

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

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

17 November 2009

Alumina Limited

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# Alumina Limited Positioned for Growth

## Asia Pacific Summit

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John Bevan  
Chief Executive Officer

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- Alumina Limited – who are we?
  - Current aluminium market conditions
  - Alumina demand and pricing
  - The unique position of Alumina Limited

# Disclaimer

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*This presentation is not a prospectus or an offer of securities for subscription or sale in any jurisdiction.*

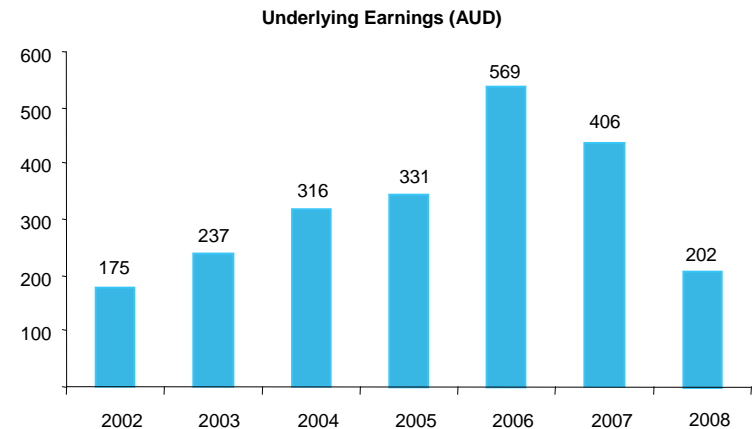
*Some statements in this presentation are forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. Forward-looking statements also include those containing such words as "anticipate", "estimates", "should", "will", "expects", "plans" or similar expressions. 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; (e) constraints on the availability of bauxite; and (f) the risk factors and other factors summarised in Alumina's June 2009 Half-Yearly ASX Report filed on Form 6-K and Alumina's Form 20-F for the year ended 31 December 2008.*

*Forward-looking statements that reference past trends or activities should not be taken as a representation that such trends or activities will necessarily continue in the future. Alumina Limited does not undertake any obligations to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements which speak only as of the date of the relevant document.*

# Who is Alumina Limited

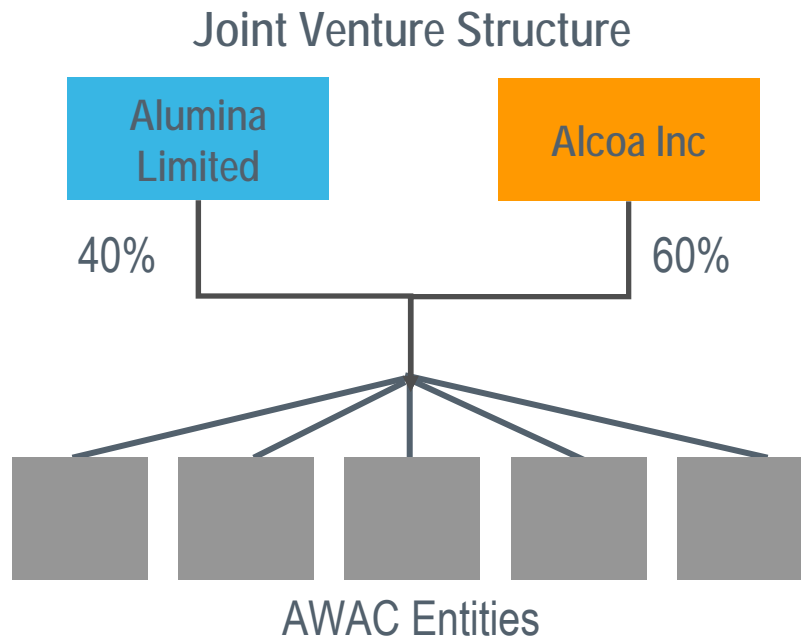
- Alumina Limited (AWC) is listed on the Australian Stock Exchange and the New York Stock Exchange
- Alumina's primary asset is its 40% joint venture interest in Alcoa World Alumina & Chemicals (AWAC) – Alcoa holds 60%
- AWAC mainly produces smelter grade alumina feedstock and aluminium from 2 smelters in Australia

Current Share Price (11/11/09)	A\$1.69
Shares on Issue	2.44bn
Market CAP	A\$4.12bn



# What is AWAC?

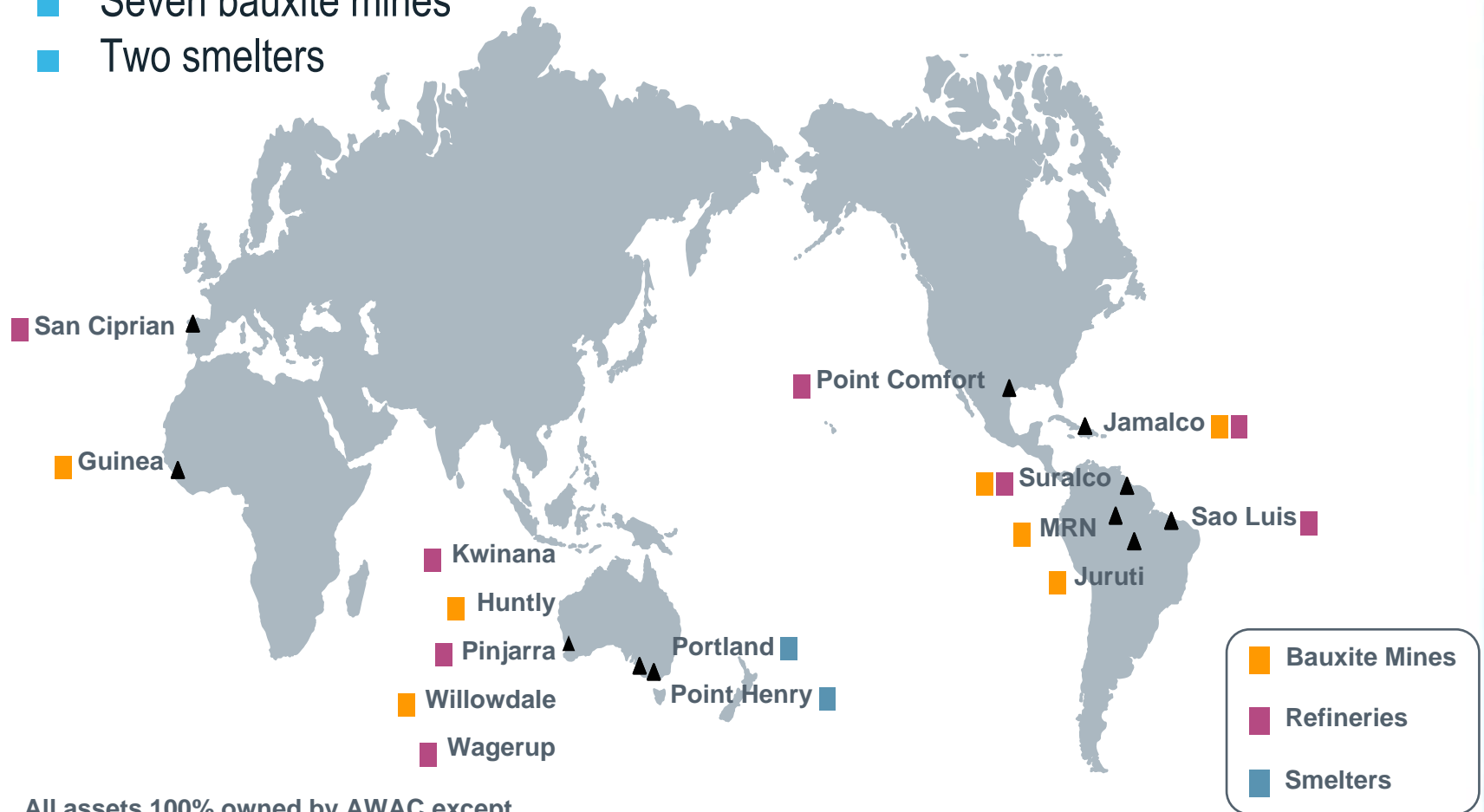
- World's largest alumina producer, accounting for 18% of world production



- Exclusive joint venture with Alcoa for bauxite and alumina
- Alcoa manages “day to day operations”
- Includes 2 smelters in Australia

# AWAC – The Global Bauxite & Alumina Business

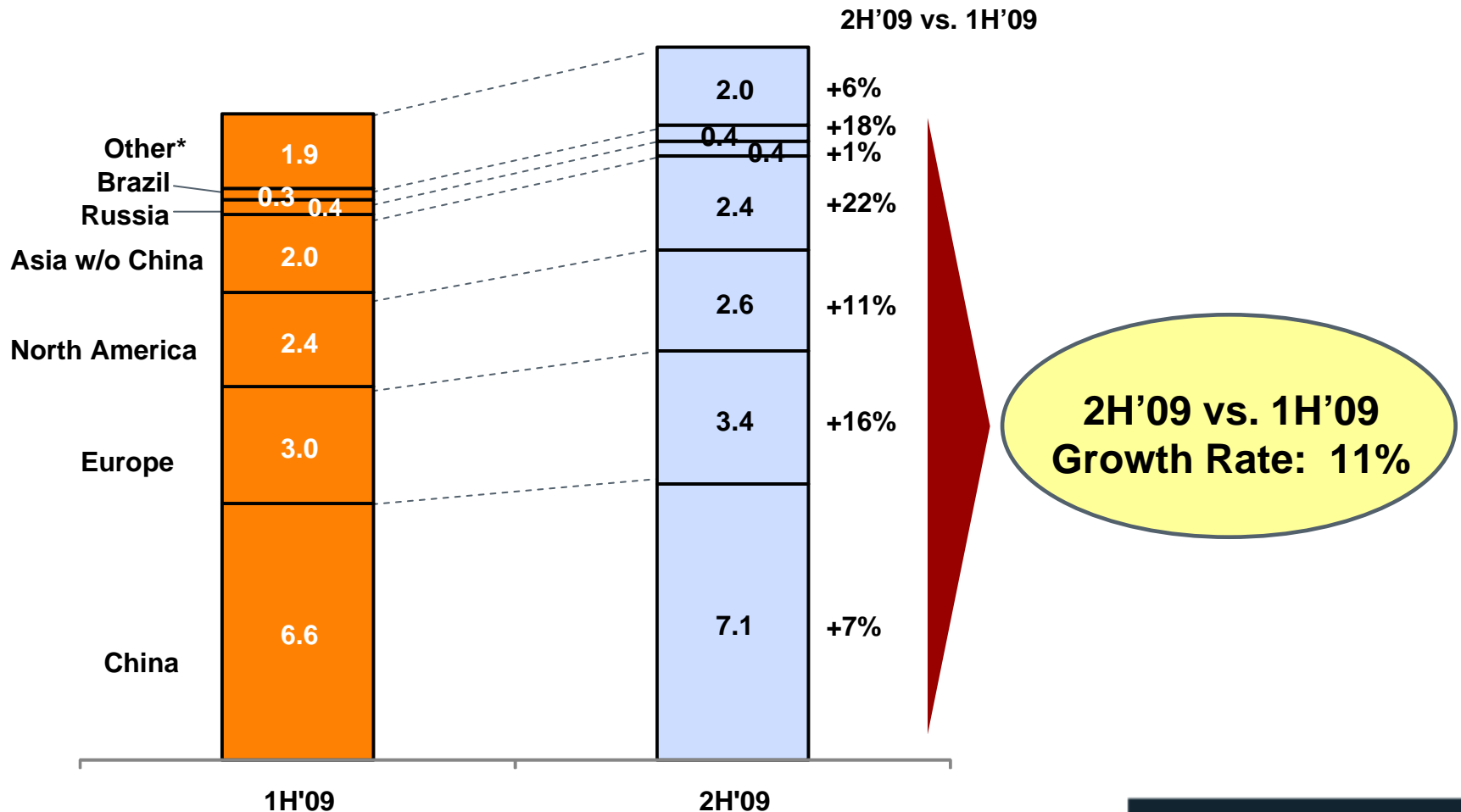
- Eight refineries
- Seven bauxite mines
- Two smelters



All assets 100% owned by AWAC except  
Portland Smelter – 55%      Guinea – 23%  
Sao Luis - ≈39%      MRN – 9.6%  
Jamalco – 45%

# Aluminium Demand is Rebounding



2009 Projected Primary Aluminum Consumption by Region (mmt)



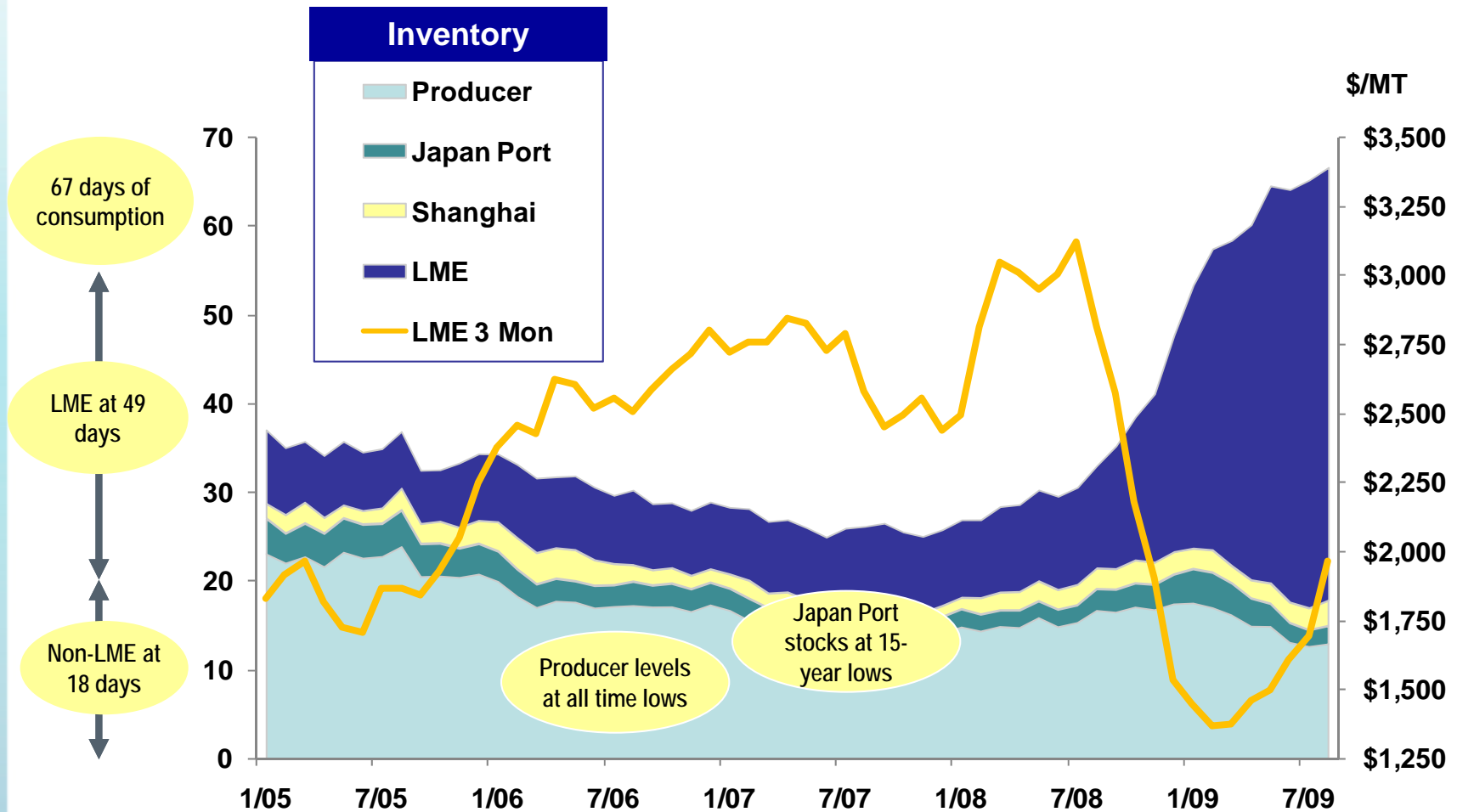


# Improving Aluminium Market Conditions in 2H 2009

## Alcoa End Markets: Assessment of 2nd Half 2009 VS 1st Half 2009 Conditions

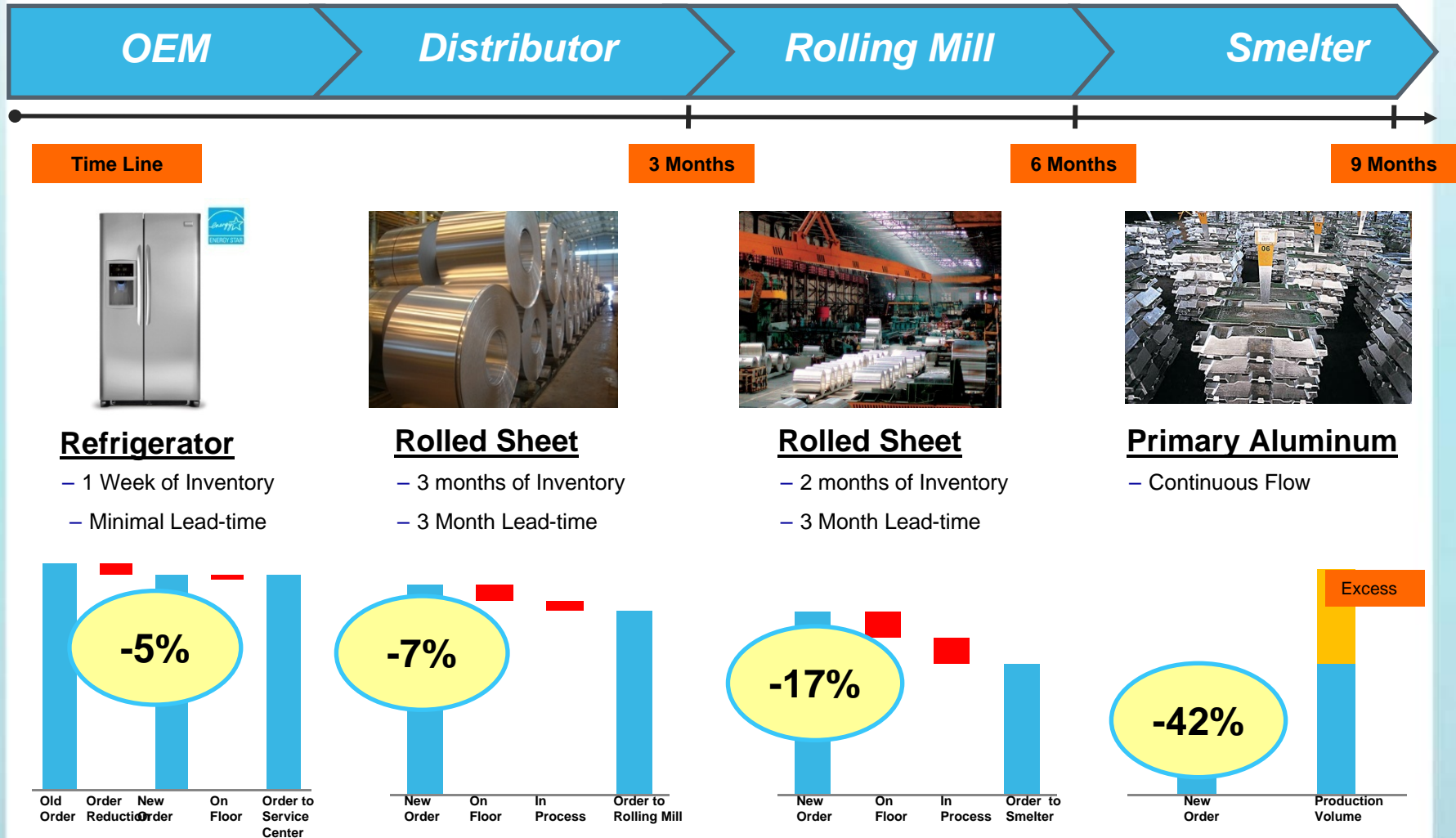
		North America	Europe	China	Global
	<b>Aerospace</b>				Deliveries flat
	<b>Automotive</b>	10%-15% sales increase ↑	10%-15% sales decline ↓	5%-10% sales increase ↑	5%-10% sales increase ↑
	<b>Heavy Truck &amp; Trailer</b>	0%-5% sales increase ↑	Sales relatively flat ↔	0%-5% sales increase ↑	0%-5% sales increase ↑
	<b>Beverage Can Packaging</b>	Seasonal declines (4%-6% decline) ↓	Sales relatively flat ↔	10% sales increase ↑	Sales relatively flat ↔
	<b>Commercial Building and Construction</b>	21% sales decline ↓	Sales relatively flat ↔	2.5% sales increase ↑	5% sales decline ↓
	<b>Industrial Gas Turbine</b>				15% heavy duty gas turbine build rate decline ↓

# Rise In LME Stocks Slows As Non-LME Stocks Decline



# De-stocking Has Left Supply Chain Depleted

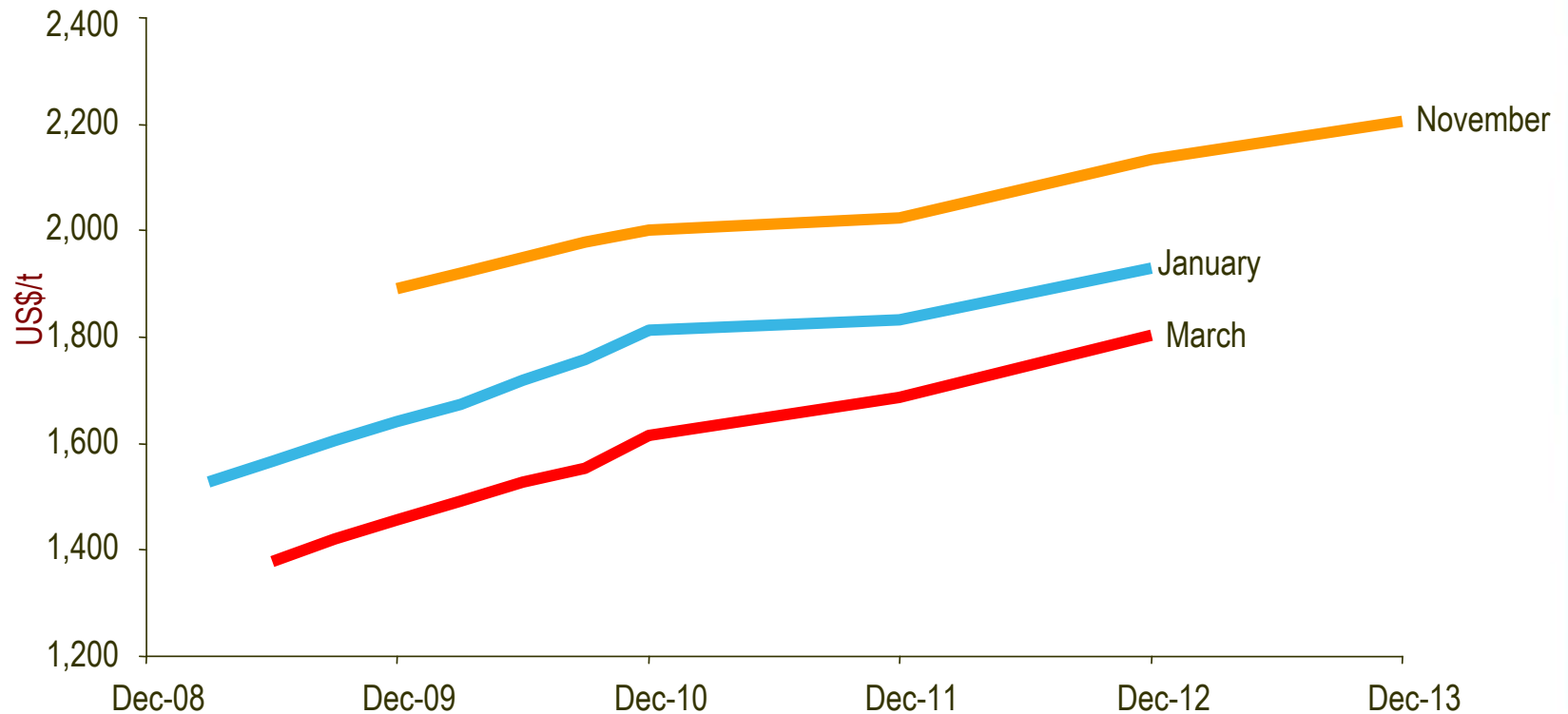
## The Impact of Destocking on the Supply Chain



Source: Davenport & Company; Alcoa analysis

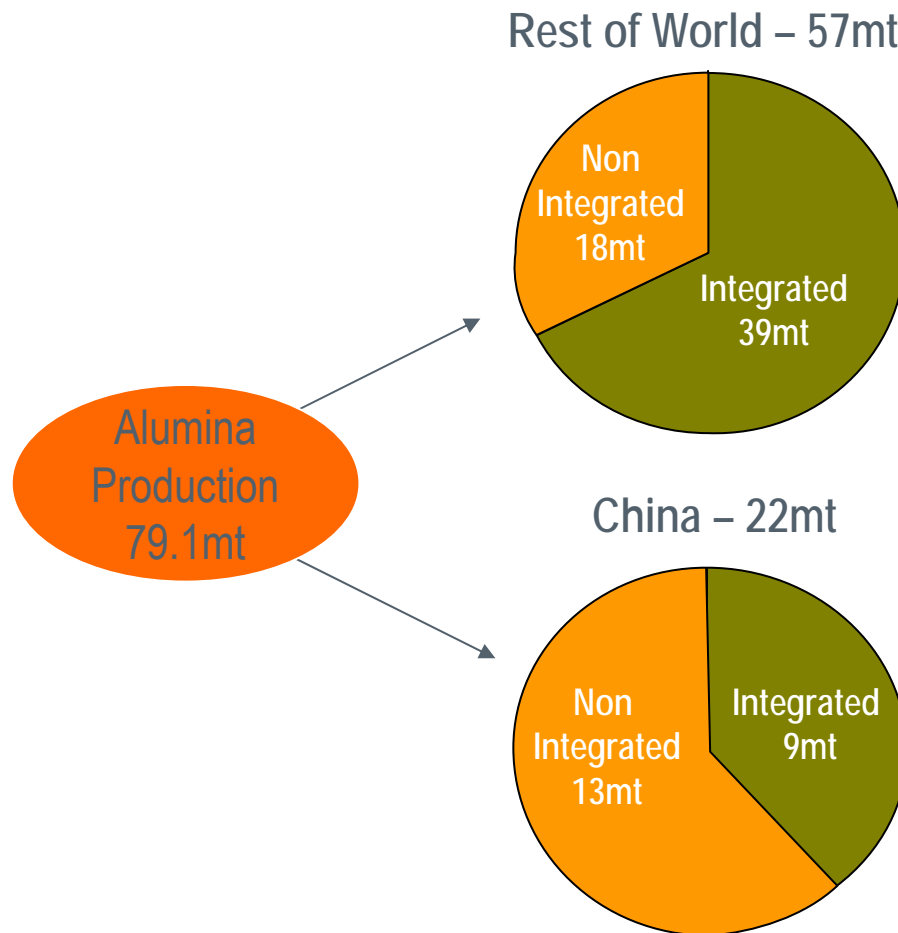
# Aluminium Forward Prices

- Short term prices are below reinvestment requirements



Source: Bloomberg as at 9 November 2009

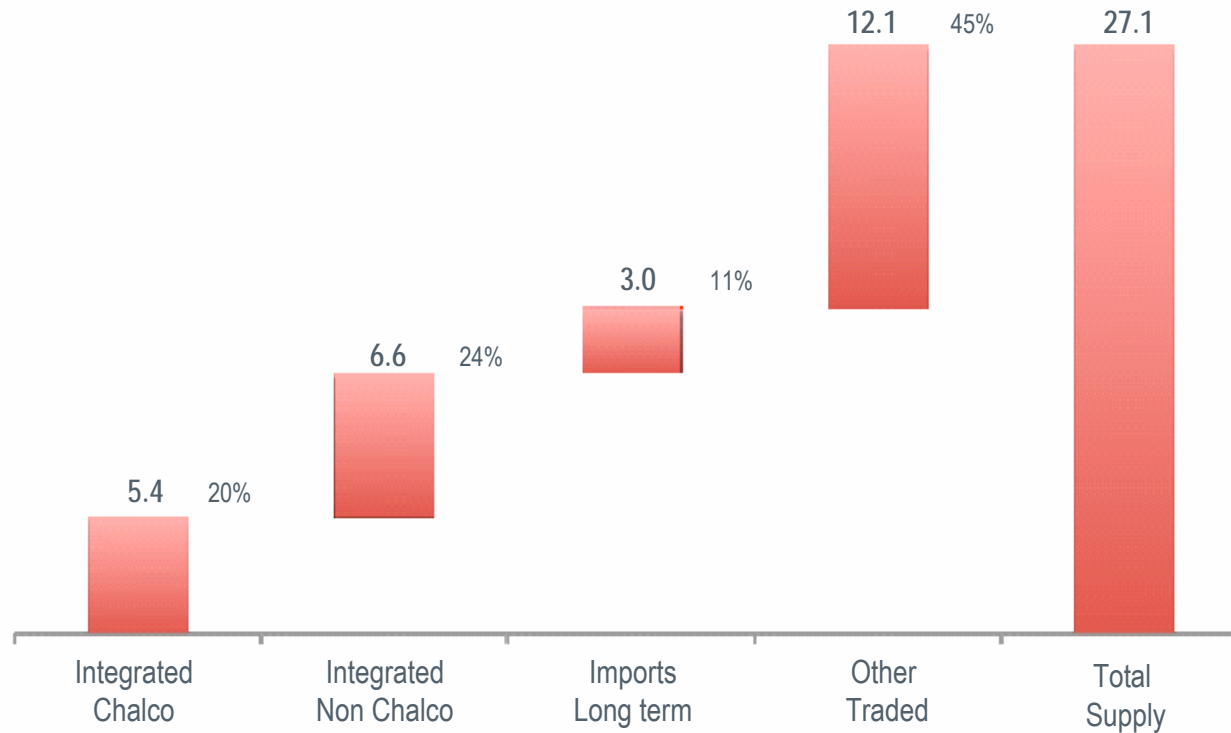
# Alumina Supply Dynamics



## Contract Form\*

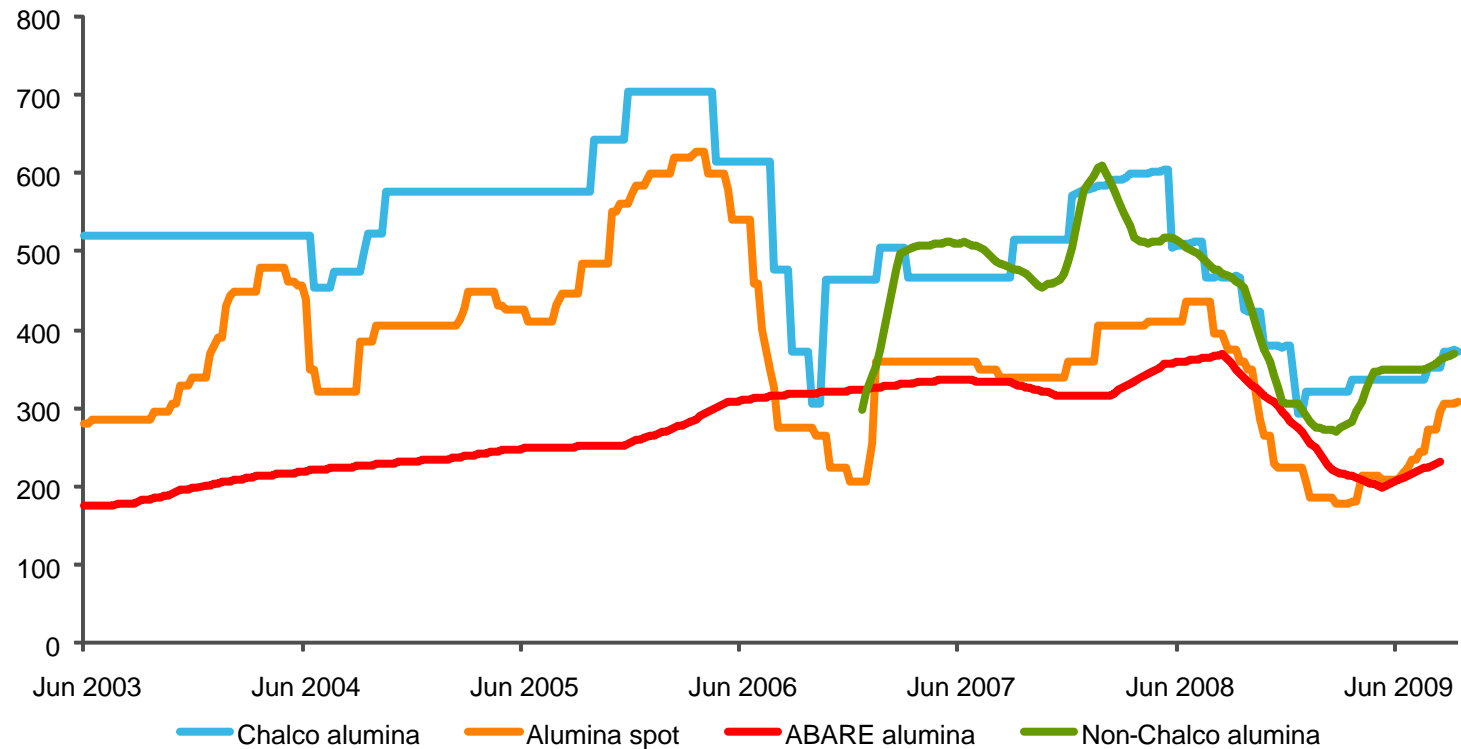
- Generally 1,3,5 year contracts, or longer
  - Generally linked to aluminium price
  - Developing spot market
- 
- Generally short term contracts
  - Generally not linked to aluminium price

# China's Alumina Supply – Integrated vs Non-Integrated



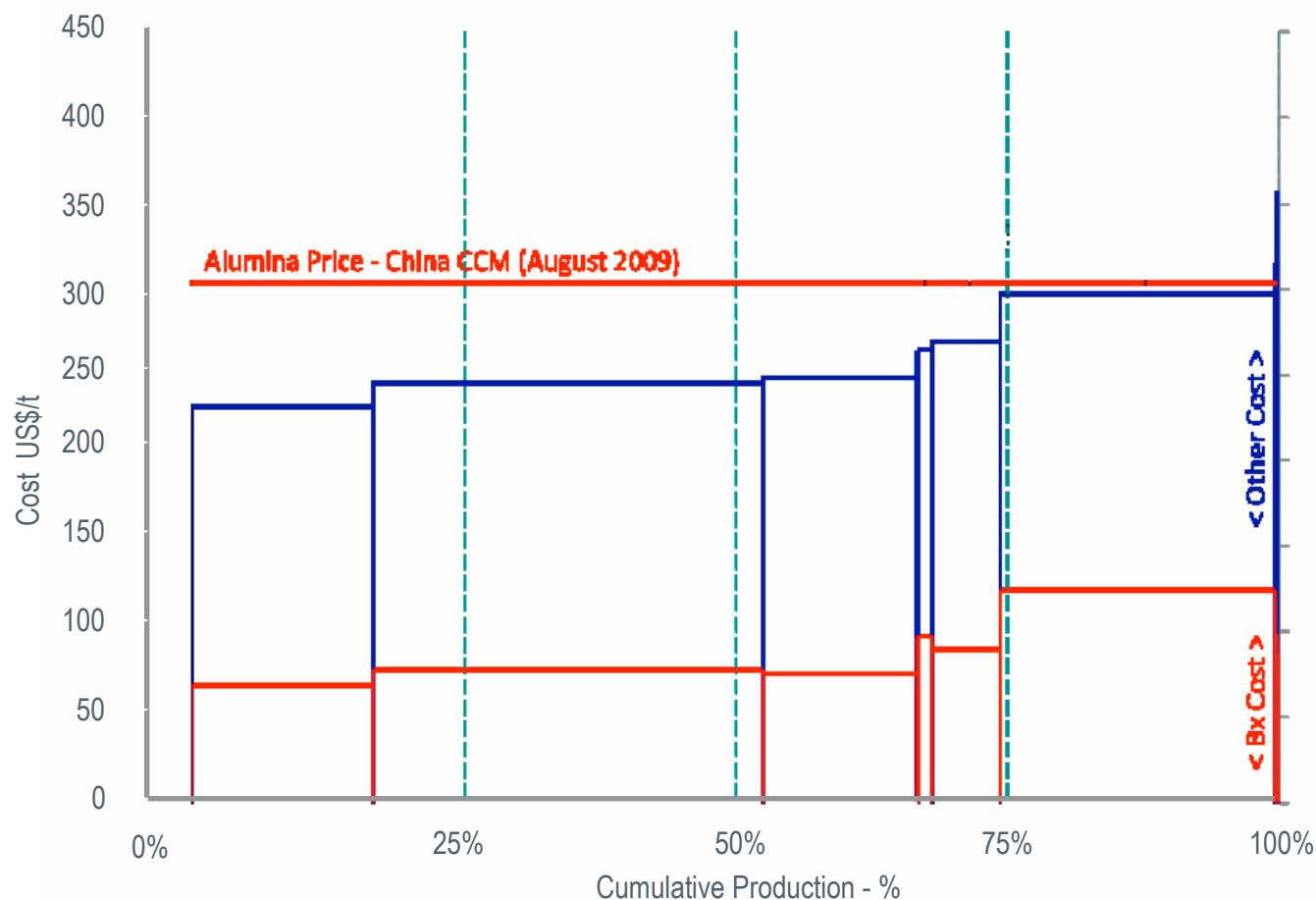
*(Figures represent millions of tonnes)*

# Alumina Price Comparison



# China's Alumina Cost Curve (3Q 2009)

Alumina Cost Curve (US\$/t)





# Alumina Supply/Demand is Balanced

**2009E Alumina Supply / Demand Balance (in kmt)**



China		Western World	
Jul-Dec 09 Alumina Production	10,700	Jul-Dec 09 Alumina Production	24,600
Run Rate		Run Rate	
Announced Restarts	400	Announced Restarts	450
Imports from Western World	2,300	Exports to China	(2,300)
Supply	13,400	Supply	22,750
Demand	(12,700)	Demand	(23,200)
Net Surplus	700	Net Deficit	(450)

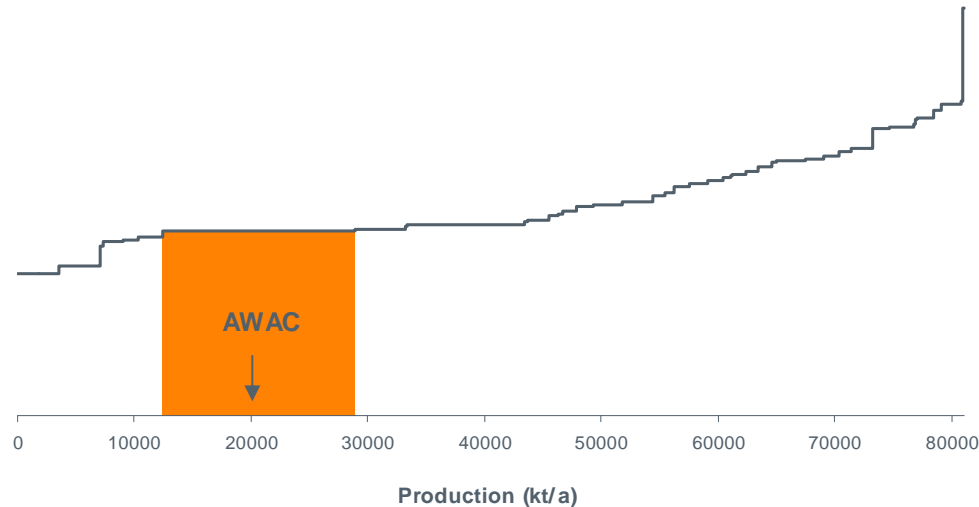
# What Makes a Tier 1 Asset?

- Close to bauxite reserves
- Low caustic soda usage
- Long term energy supply
- Stable workforce
- Close to deep water port
- Port gives direct access to main customers



*Pinjarra - 4.2m mtpy*

# AWAC is Well Positioned for the Long Term



Source: © Brook Hunt and Associates Ltd 2009

- AWAC has tier 1 assets in Australia and Brazil
- Production volumes dominate production
- Nominal capacity of 17 million tonnes
- Sao Luis will improve AWAC's position to 25<sup>th</sup> percentile of cost curve

# New Tier 1 Assets are being Commissioned

***Juruti Mine and Alumar Refinery Expansion Commissioned in 3Q 2009***

## Juruti

***Benchmark in Sustainable Development***



**Railroad**

**Washing Plant**

**Ship Loader**

- Alumina share of capex US\$0.8 billion
- 2.6 MMT of production; opportunities to expand as demand grows
- World competitive bauxite to serve refineries in Brazil and beyond

## Alumar

***Strengthened Refining Position in Brazil***



**Alumina Silo**

**Cogeneration**

**Calciners**

- Alumina share of capex US\$0.6 billion
- 2.1 MMT expansion; 1.1 MMT AWAC share
- Expansion capacity in first quintile of cost curve

# Alumina Limited Balance Sheet is Strong

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- Gearing at 30 June 2009 – 8.6%
- Net debt at 30 June 2009 – A\$328 million\*
- No net drawn debt due for repayment in 2009 or 2010
- US\$350m convertible bond matures 2013, can be redeemed 2011

*\* Includes component of convertible bond in equity*

# Summary

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- Short term market outlook is stable
- Supply imbalances provide pricing opportunities
- AWAC positioned at 25% percentile of cost curve
- Alumina Limited has a strong balance sheet
- Positioned for market improvement and growth

# Questions

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