

To: The Manager
Announcements
Company Announcements Office
Australian Stock Exchange Limited



Public Announcement 2012 – 4AWC

Attached is a presentation relating to Alumina Limited's Full Year Results for the 12 months ended 31 December 2011.

A handwritten signature in black ink, appearing to read "Stephen Foster", written over a horizontal line.

Stephen Foster
Company Secretary

16 February 2012

Alumina Limited

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Alumina Limited

2011 Full Year Result

John Bevan
Chief Executive Officer

Chris Thiris
Chief Financial Officer

Disclaimer

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 Form 20-F for the year ended 31 December 2010.

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.

Stronger 2011 financial performance

Alumina Limited

- NPAT \$127m, +266%
- Underlying earnings \$128m, +249%
- Final dividend of 3¢ per share
- Full year dividend of 6¢ per share fully franked

AWAC

- Improved 2011 performance:
 - Net Profit after Tax \$470m, +40%
- AWAC dividends to Alumina Limited \$232m
- 2H headwinds of strong A\$ and falling commodity prices lower 2H performance

AWC Performance

US\$m	2011	2010	2009
Underlying Earnings	128	37	0.3
NPAT	127	35	(24)
Total Dividend (US cps)	6	6	1.8

AWAC Performance

US\$m	2011	2010	2009
Revenue	6,667	5,456	4,078
EBITDA	1,074	803	410
Dividends Paid	579	587	335

Highlights and Outlook

- **Improved 2011 performance**
 - 2011 financial performance an improvement, notwithstanding substantial headwinds
- **Alumina pricing structure change beneficial**
 - Structural pricing change driving margins upstream
 - Alumina spot/index pricing realised equivalent to 14.3% - 16.7% of LME cash price (vs 13.4% average industry linkage rate* in 2010)
 - Progress on contract conversion with 40% of sales traded on spot/index by end 2012
- **AWAC positioned low on the alumina industry cost curve**
 - Record 15.7mt of alumina produced in 2011, with flexibility to change production to meet demand
- **Cautious approach to macro-economic uncertainty**
 - Significant pressure from weak aluminium prices in early 2012, rising input prices and appreciating A\$
 - Aluminium demand forecast to grow 5-7% in 2012, despite slowing global GDP



2011 Performance

Chris Thiris
Chief Financial Officer

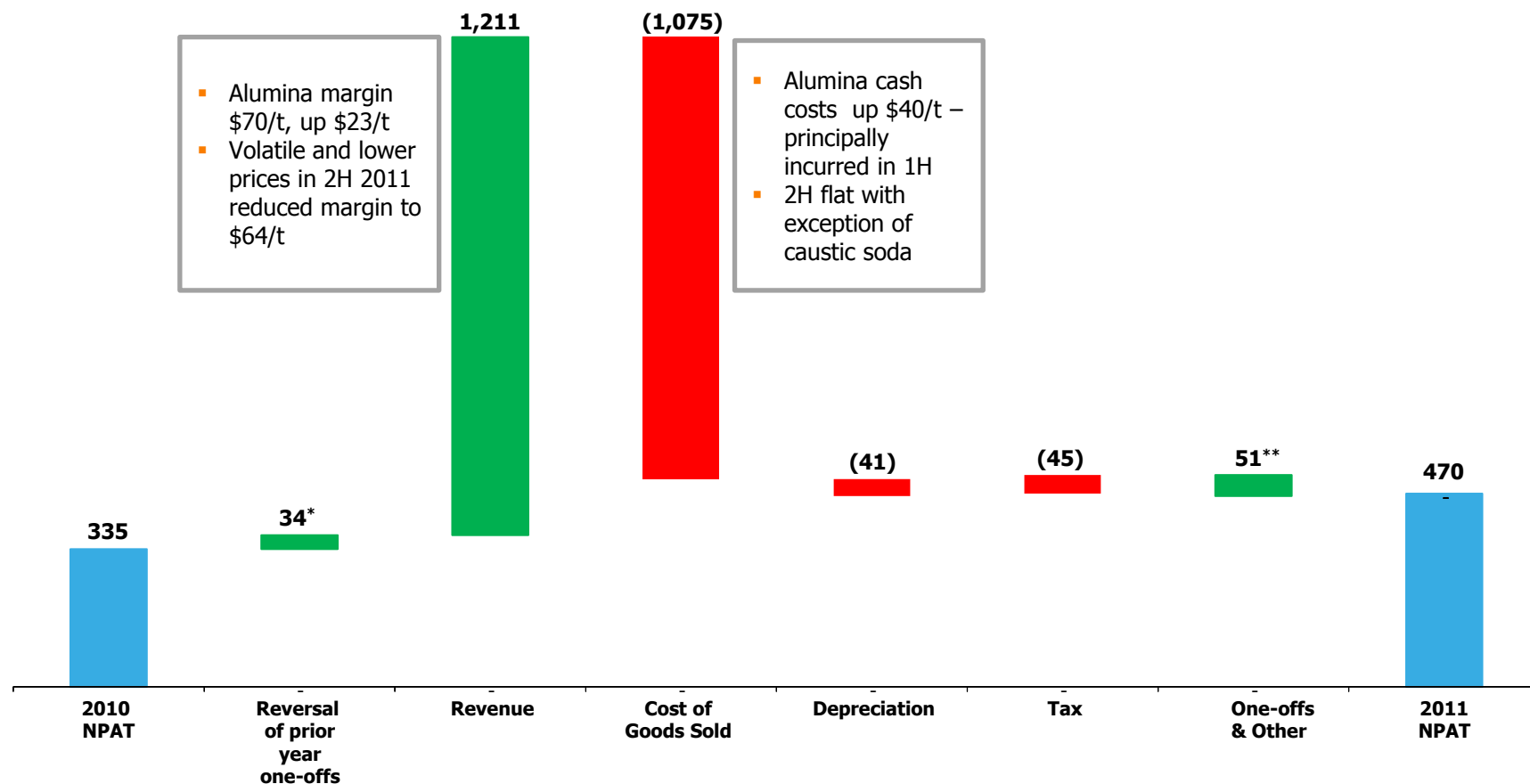
AWAC results at a glance

- Improved performance:
 - Revenue +22%
 - EBITDA +34%
 - NPAT +40%
- Margin assisted by structural pricing change
- Cash expense pressures:
 - Higher input costs
 - US\$ weakness/A\$ strength
- Second half impacted by global uncertainty

AWAC*			
US\$m	FY11	FY10	Change
Sales revenue	4,145	3,452	+20%
Related party revenue	2,522	2,004	+26%
Total Revenue	6,667	5,456	+22%
COGS and operating expenses	(5,459)	(4,523)	+21%
Depreciation and Amortisation	(466)	(425)	+10%
Other	(133)	(136)	-2%
Total Expenses	(6,058)	(5,084)	+19%
Profit before Tax	609	372	+64%
Income Tax	(139)	(37)	+276%
Net Profit after Tax	470	335	+40%

* US GAAP basis

AWAC Profit & Loss

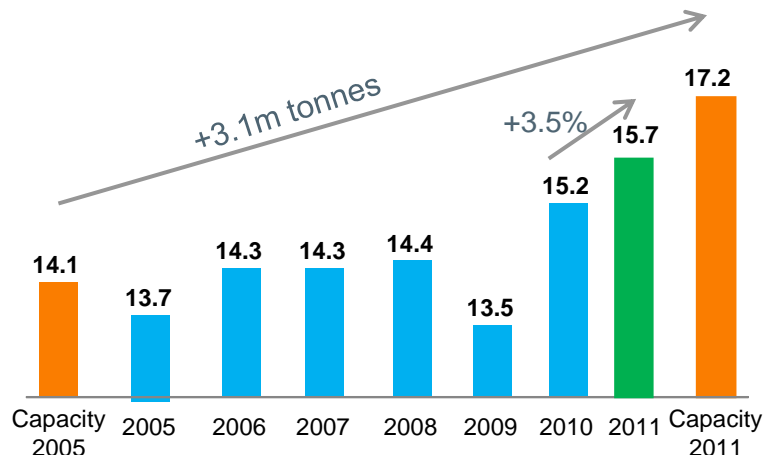


* **Reversal of prior year one-offs:** \$80m Brazil commissioning and start-up costs, \$14m write-off for fluoride assets at Point Comfort, \$45m loss on end of period balance sheet revaluations and \$105 Brazil tax credit

** **One-offs and other** includes: \$14m DBP equity profit, \$43m gain on sale of Australian farm assets, \$47m Brazil tax credit, \$9m loss on end of period balance sheet revaluations, \$14m loss on smelter restructuring costs, \$20m provision for remediation costs in St Croix

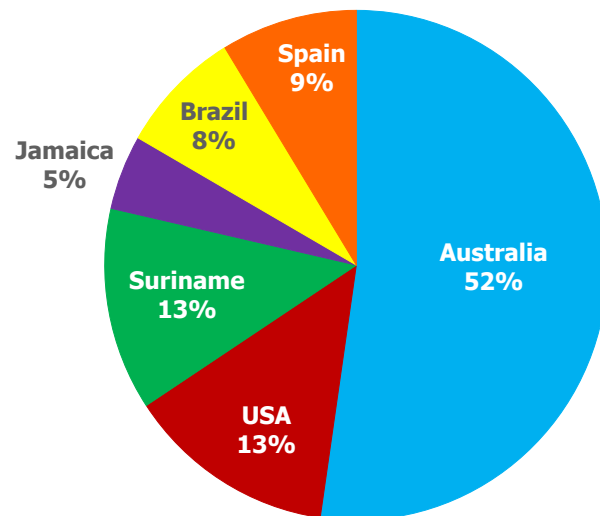
AWAC 2011 alumina production

2011 Alumina Production (mt) +3.5%



- Record Alumina production of 15.7 million tonnes in FY11 (+3.5%)
- Extra shipments accounted for 10% of the revenue increase
- Majority of increase from Brazil
- Australian refineries operated at or near capacity

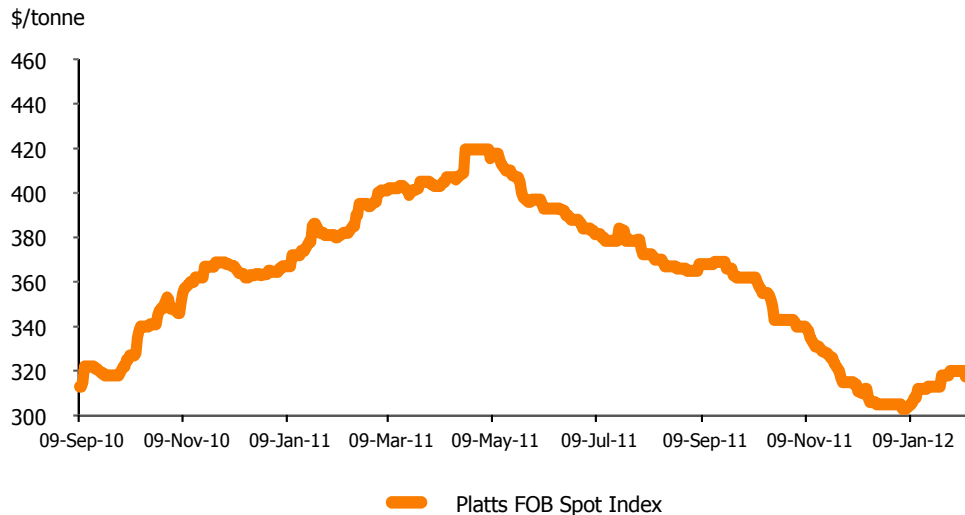
AWAC Nameplate Capacity by Region



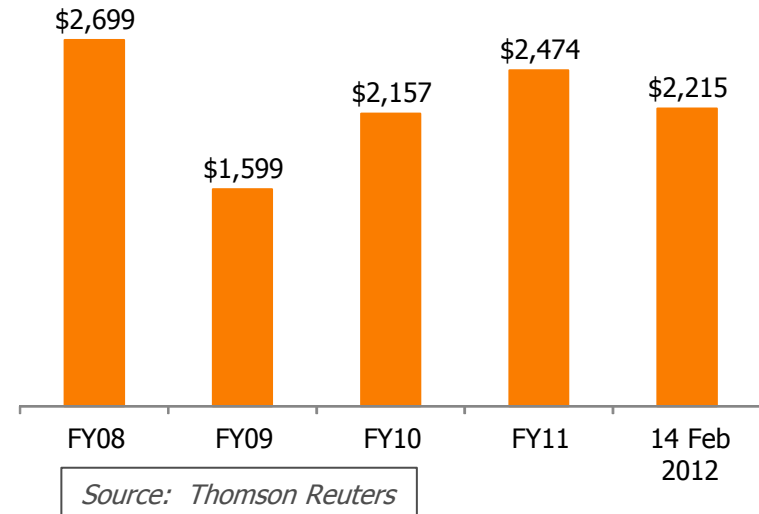
- Nameplate production capacity of 17.2 million tonnes

AWAC 2011 pricing

Alumina Price Index



LME Aluminium Reference Value by Year**



- Average AWAC alumina realised prices in 2011: +22%
- Converted 20% of sales to index/spot basis
- AWAC price (including conversions to index/spot) accounted for 90% of revenue increase
- Feb 2012 LME pricing remains below 2011 average

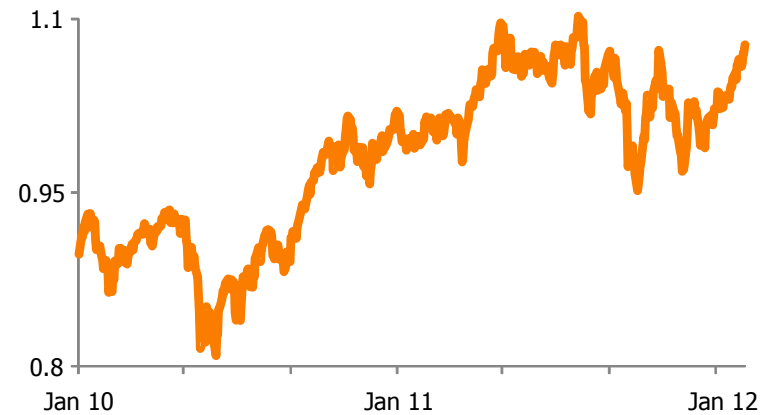
** Note: FY11 value reflects a sales pricing period from November 2010 to October 2011 as 3 month LME is lagged by 2 months

AWAC alumina cash costs

- Cash production costs up \$40 per tonne
- \$18 per tonne on increase from FX changes
- Alumina input cost increases*:
 - Oil +\$6/tonne (Brent prices +34% in 2011)
 - Bauxite \$4/tonne
 - Caustic +\$3/tonne (spot prices up 61% in 2011)
 - Other including labour, contractor and maintenance
- Cost increases principally incurred in the first half

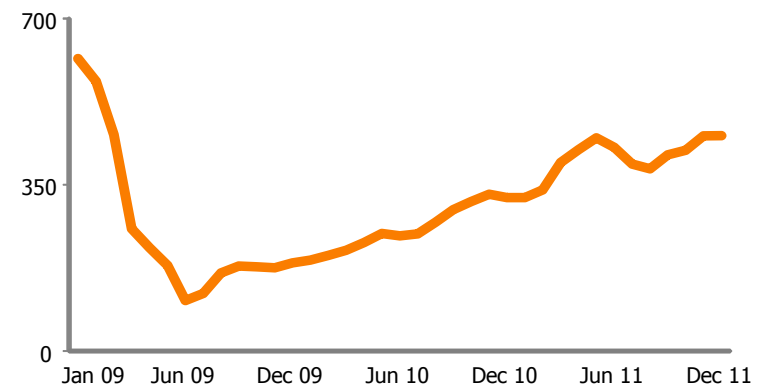
* Per tonne of alumina

A\$/US\$ Exchange Rate



Source: Thomson Reuters

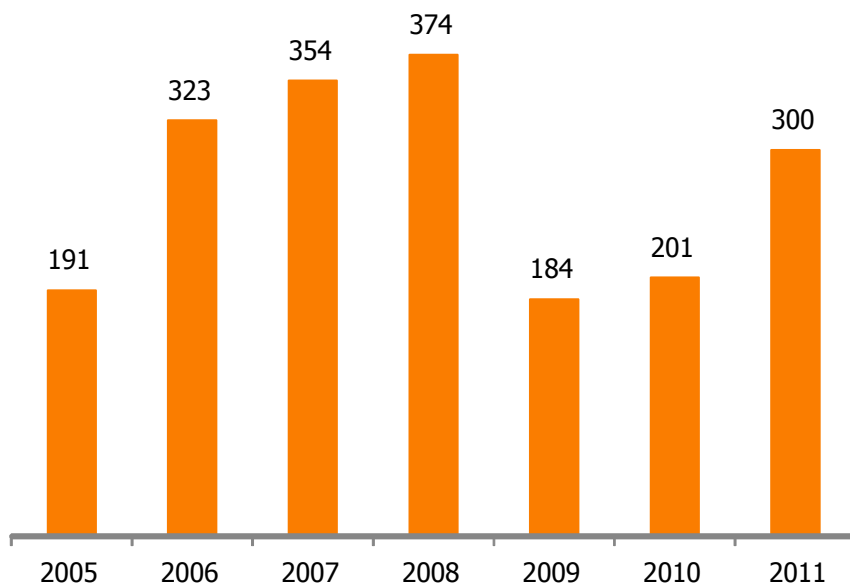
Spot Caustic US\$/t



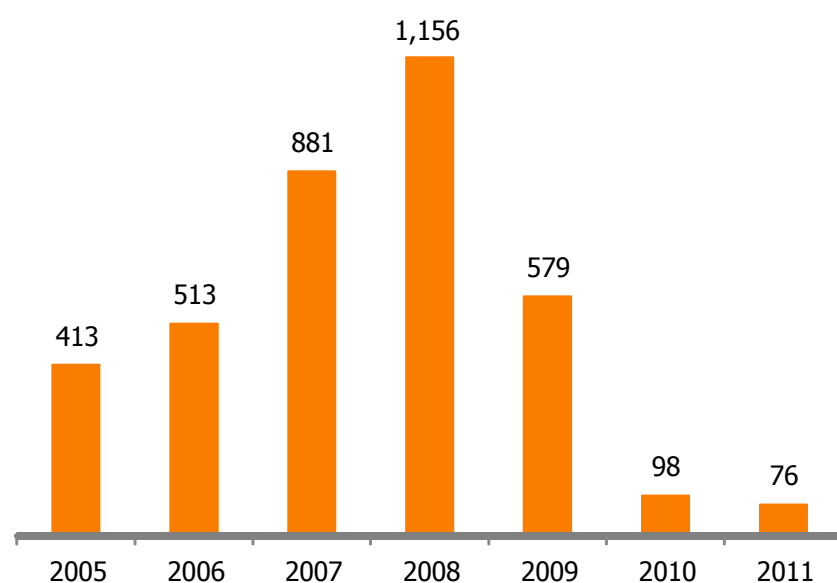
Source: CMAI

AWAC capex changes in 2011

Sustaining Capex (\$m)



Growth Capex (\$m)



- Majority of \$300m in 2011 was spent in Australia
- Once in ten year move of Australian crusher commenced in 2011, with 4 year project span
- 2011 spend mainly for completing Brazil
- Excludes equity injection for Saudi joint venture (Ma'aden)

AWAC free cash flow

- Cash from operations up 2%, affected by delayed shipments
- Sustaining capex increased

AWAC			
US\$m	FY11	FY10	Change
Cash from operations	739	724	+2%
Capital expenditure	(392)	(298)	+31%
Free cash flow*	347	426	-19%

* Free cash flow defined as cash from operations less capital expenditure

AWC reflects AWAC performance

- AWC's performance improved in 2011
- Corporate costs:
 - \$1.7m of \$2.6m increase due to A\$ strength against US\$
 - Excluding FX, corporate costs up 6%
- Finance costs reduced due to lower average gross debt

AWC			
US\$m	FY11	FY10	Change
Equity Share of AWAC Underlying PAT	174	87	+101%
Corporate Costs	(17)	(15)	+18%
Finance Costs	(28)	(39)	-26%
Other & Tax	(1)	4	-120%
Underlying Earnings	128	37	+249%
Retirement benefit obligation, AWAC	(61)	(8)	N/A
Embedded Derivative, AWAC	60	6	N/A
Net Profit After Tax	127	35	+266%

AWC free cash flow

- Dividends received in line with 2010
- Investments in associates in 2011:
 - Brazil capex
 - Spanish equity injection to replace shareholder loans

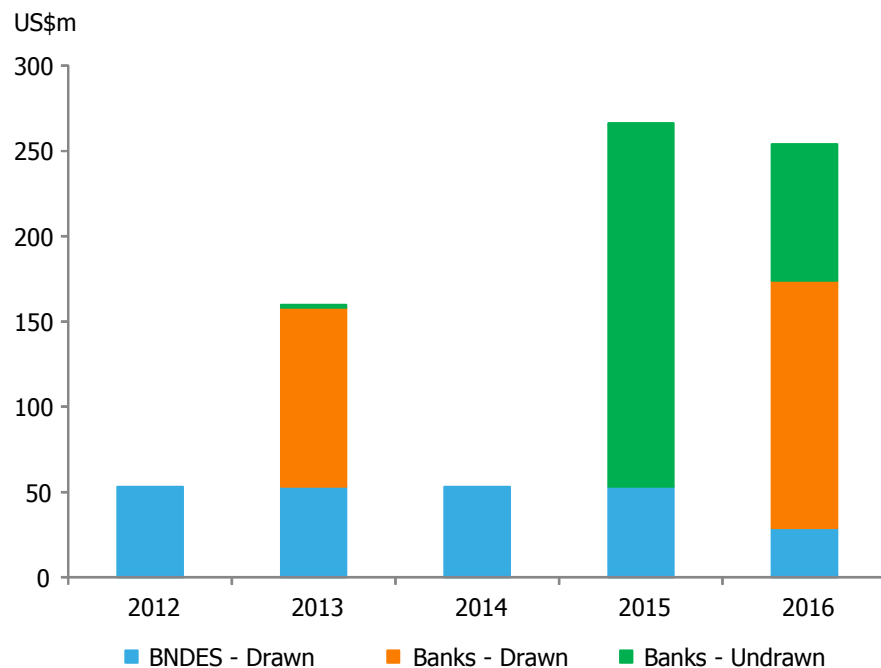
AWC			
US\$m	FY11	FY10	Change
Dividends received	232	234	-
Costs	(44)	(43)	-
Other	8	10	-20%
Cash from Operations	196	201	-2%
Payments for Investments in Associates	(149)	(148)	-
Free Cash Flow*	47	53	-11%

* Free cash flow defined as cash from operations less capital expenditure

Balance sheet carefully managed

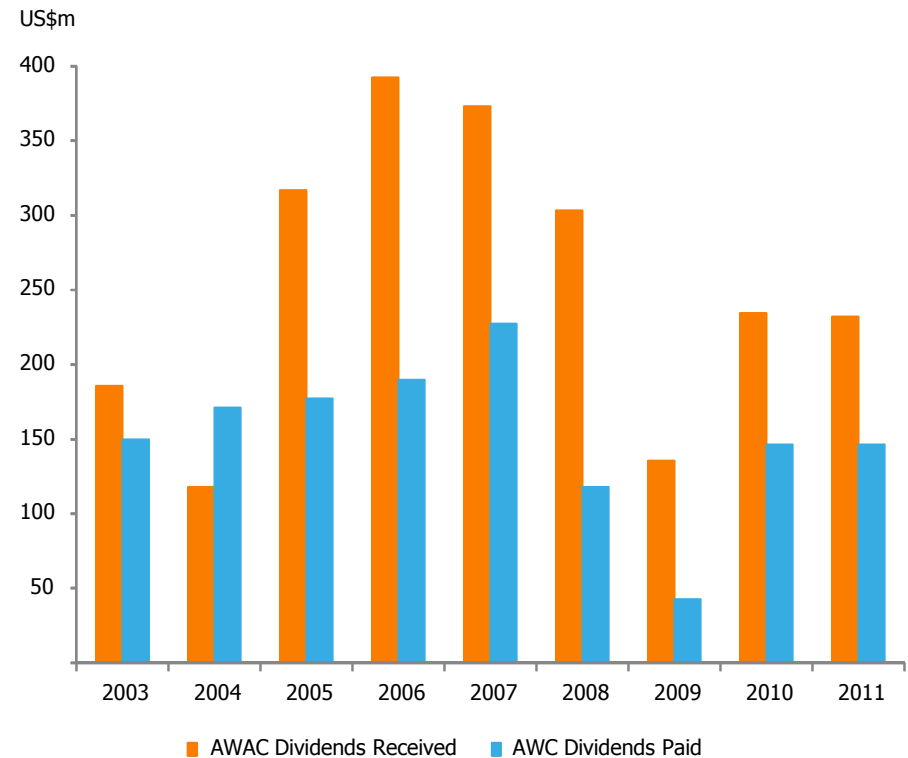
- Net debt of \$472m
- Gearing 14.1%
- No debt facilities expire until November 2013
- BNDES facility amortises at approximately \$53m per annum
- \$295m undrawn committed facility available

AWC Debt Maturity Profile



Alumina Limited dividends

- Generally the Board intends, on an annual basis, to distribute cash from operations after debt serving and corporate cost commitments have been met
- Dividends will be fully franked for the foreseeable future
- Under this policy, AWC will pay out 75% of 2011 cash from operations



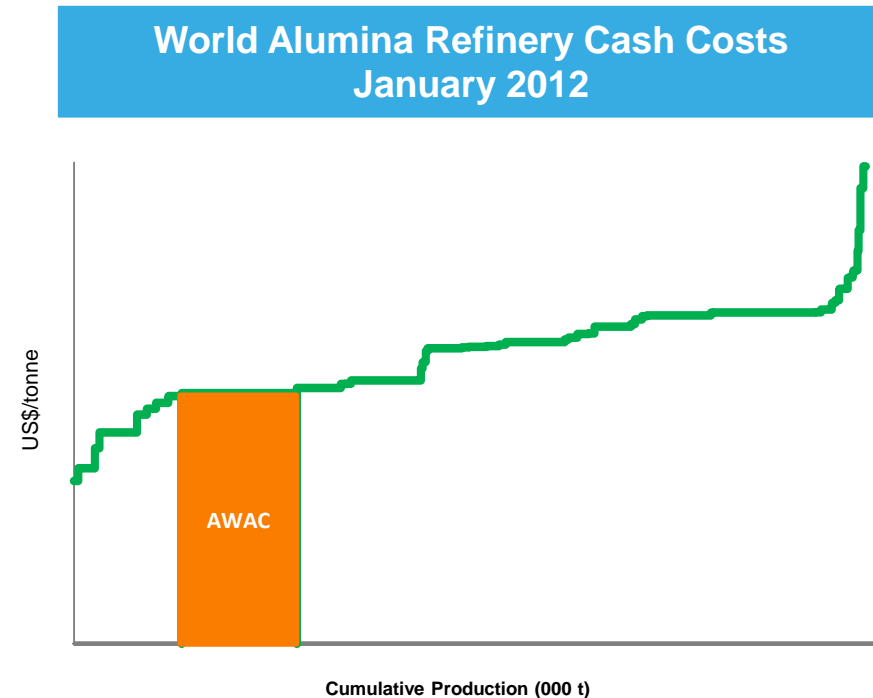


Market & Outlook

John Bevan
Chief Executive Officer

AWAC – global leader in bauxite and alumina

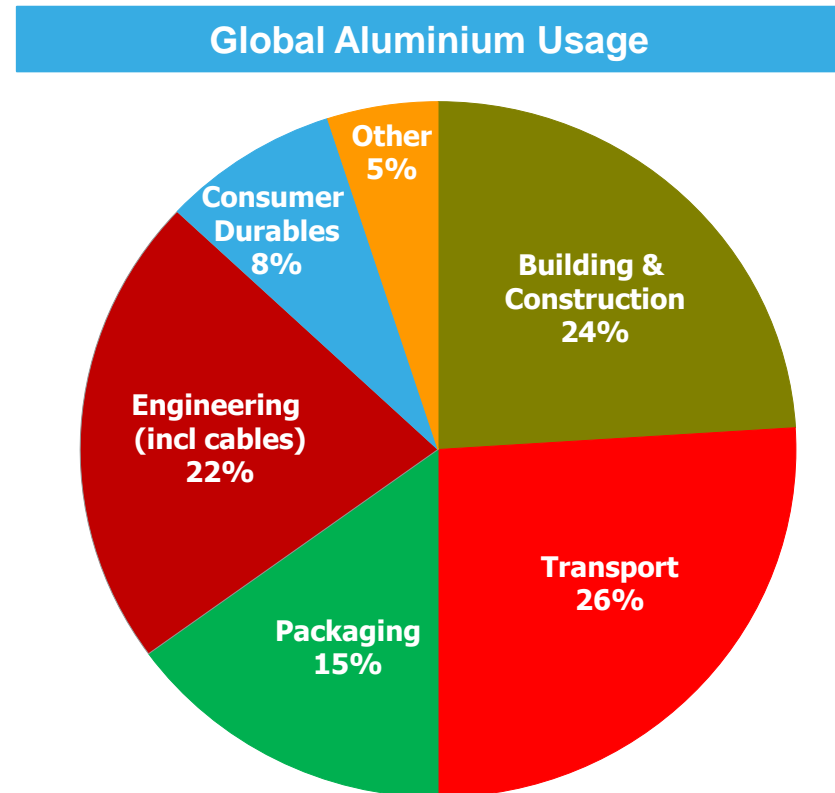
- Largest bauxite miner
 - Produces approx 40mtpa
 - Long life mines and leases
 - Juruti operating well above design
- Largest seller to the third party alumina market
 - Capacity 17.2mtpa
 - Brazil at nameplate capacity
 - Ma'aden under construction
 - Low cost reflecting proximity to bauxite



Source: CRU

Aluminium demand to grow by 5-7% in 2012

- 5-7% aluminium growth forecast in 2012
 - stronger than most metals
- China/India's growth continues
 - driven by urbanisation
- Developed world driven by lightweighting of vehicles using aluminium and infrastructure renewal
- Construction volume remains weak in developed world
- European demand weak, US market firming

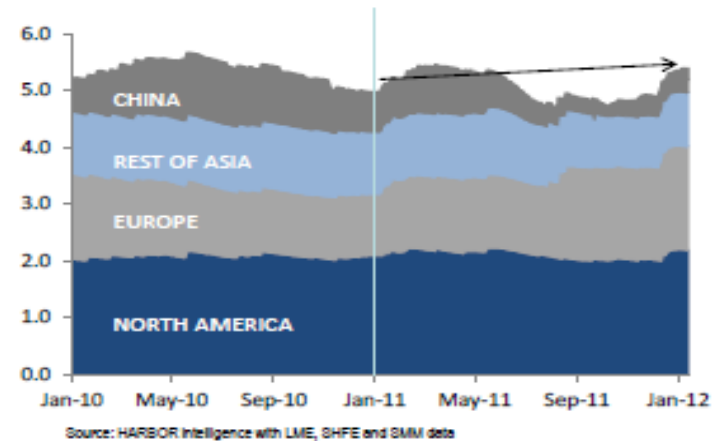


Source: IAI

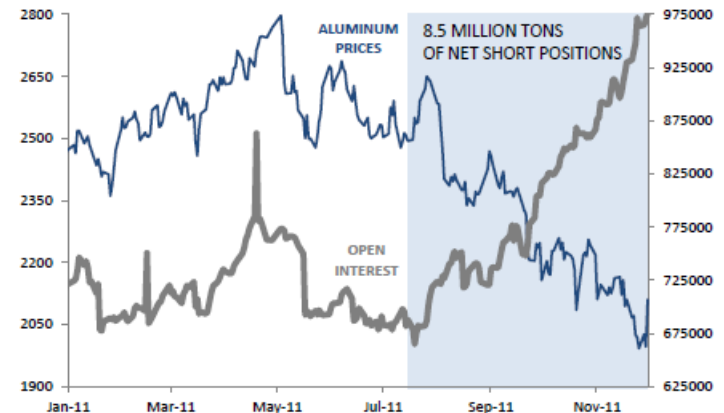
Current aluminium market conditions

- Stocks remain steady
 - premiums weaker but above long term average
- Prices fell in the second half of 2011 due to unprecedented speculative selling despite physical demand growing in 2011 and slight deficit
- Supply curtailments announced as pricing put many smelters cash negative
- Chinese smelters curtailing as Chinese prices fall

TOTAL COMMERCIAL ALUMINUM INVENTORIES
(daily data in million mtons)



LME 3M ALUMINUM PRICES VS OPEN INTEREST
(daily data; \$ per mton vs contracts)



Source: HARBOR Intelligence

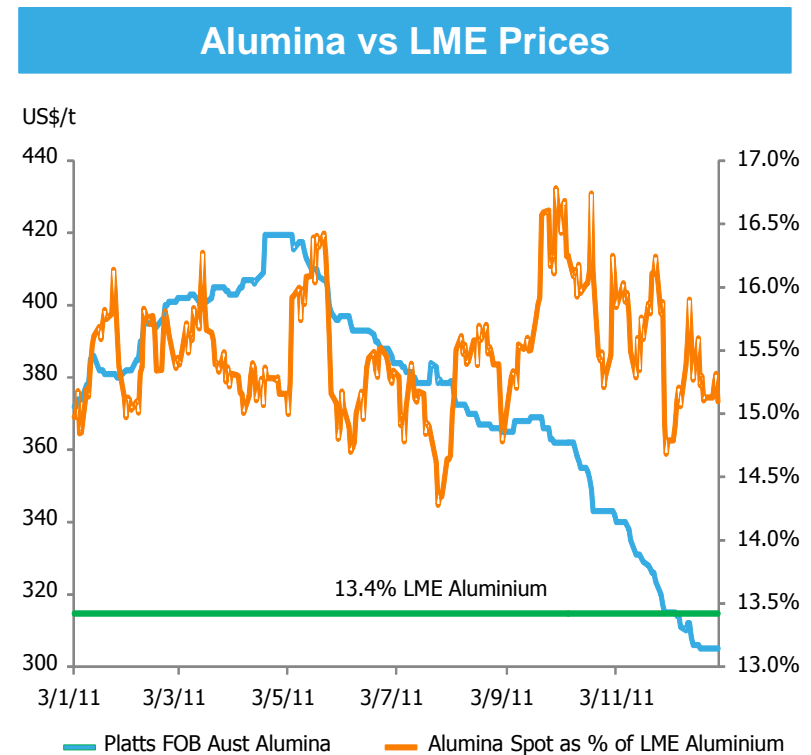
Point Henry Review

- Internal review of future viability of AWAC's Point Henry smelter announced on 8 February 2012
- Metal prices, input costs and exchange rates result in Point Henry's unprofitability



Alumina spot prices reflect fundamentals

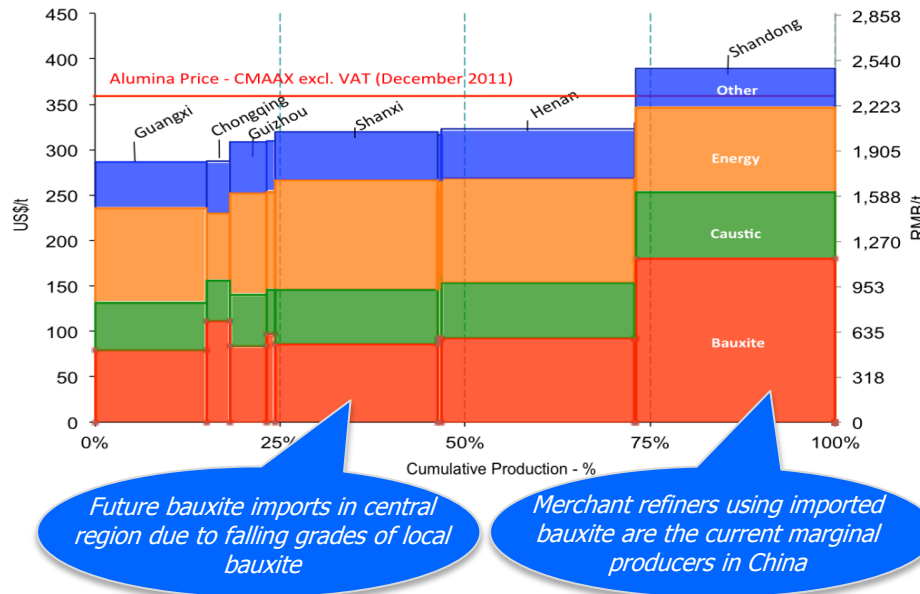
- Spot prices have trended above long term LME-linked contract pricing throughout 2011*
- Platts index reflected a range of 14.3% to 16.7% of aluminium prices
- In 2011 AWAC converted 20% of third party SGA sales to alumina index/spot
- By year end 2012, approx 40% of AWAC third party SGA sales will be on index/spot



Source: Platts

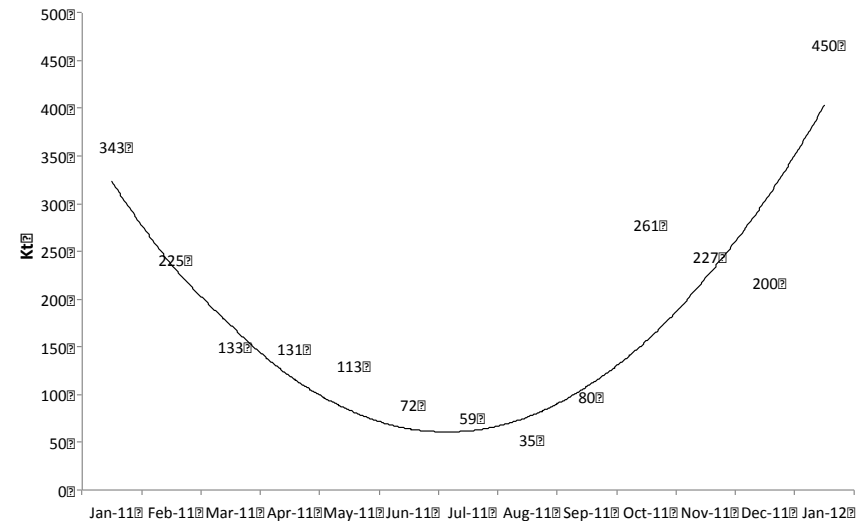
Chinese marginal producers continue to influence global prices

Chinese Alumina Cost Curve 4Q 2011



- Chinese refiners are generally high cost and are the industry's marginal producers
- Chinese production, costs and imports will continue to influence global alumina pricing

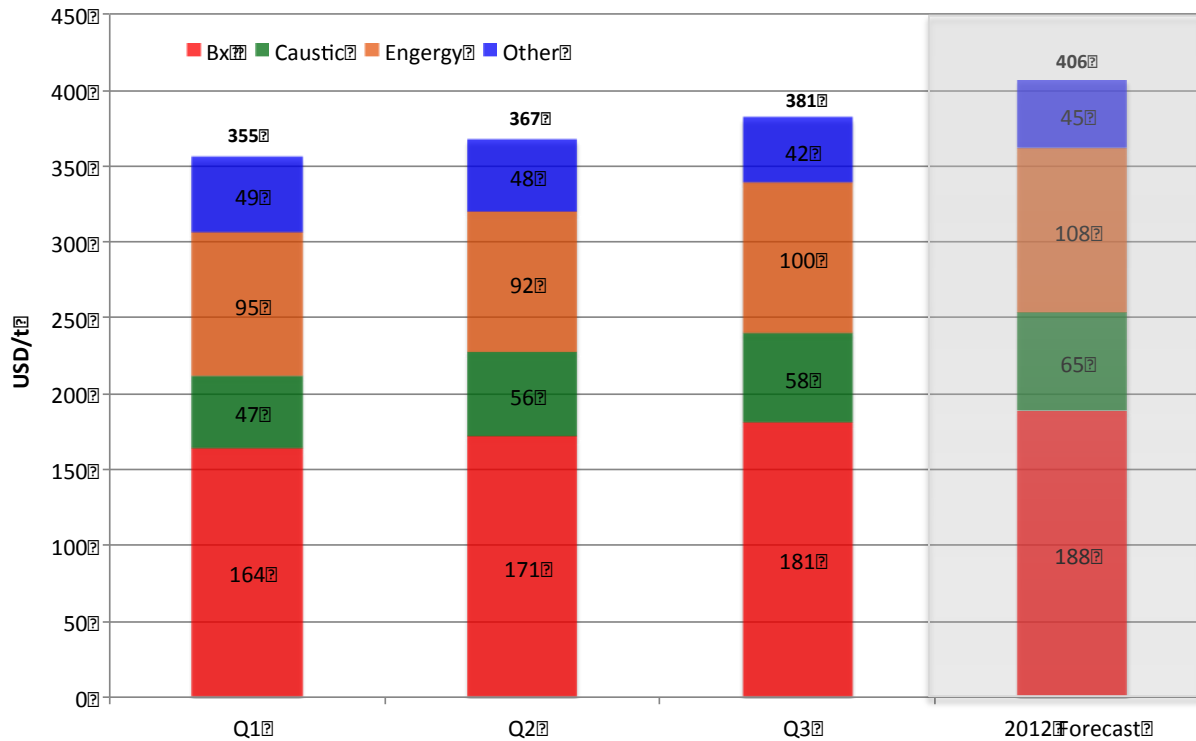
Chinese Alumina Imports



- Imports into China grow as pricing arbitrage opens up and marginal production curtails

Rising Chinese costs will underpin global prices

Coastal Refinery Cost Movements



- Costs are rising in Shandong Province
- Bauxite costs are key driver
- New refineries being built

2012 Assumptions

Bauxite: (UP)

1. FOB prices up by 20%
2. Domestic ore prices up by 15%
3. Bauxite efficiency gains
4. Imported bauxite grades deteriorate

Energy: (UP)

1. Electricity price up by RMB 0.03/kWh (~6% = ~US\$5/MWh)
2. Consumption stable
3. Coal price is going up

Caustic: (UP)

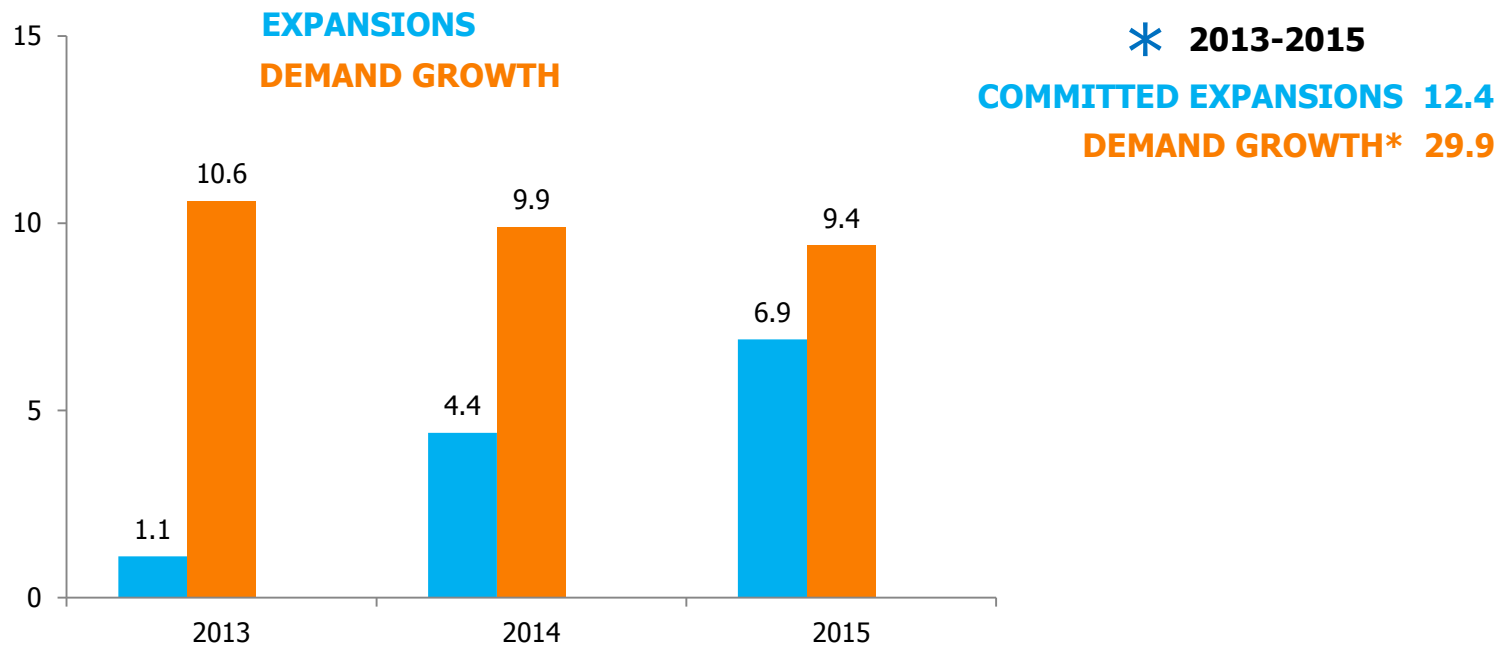
1. Price up by 5%, triggered by energy price increase
2. Consumption up as bauxite grades fall

Other: (STABLE)

1. Labour productivity up
2. Labour cost up
3. Packaging, lime, consumables stable
4. Assume RMB not revalued

Beyond 2012, planned new alumina capacity is low

Alumina Committed Expansions vs Expected Demand Growth*
(mt)

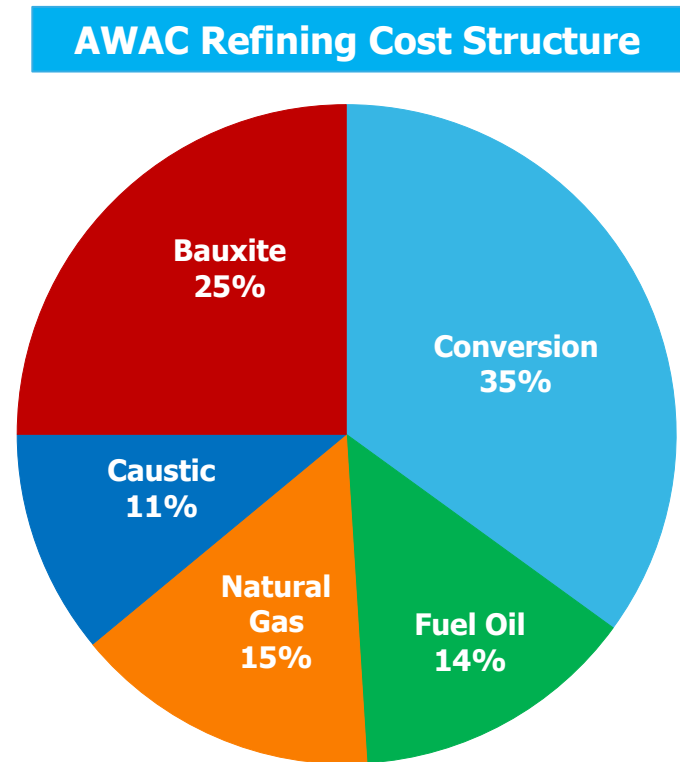


- New capacity over next 3 years may not meet forecast demand growth

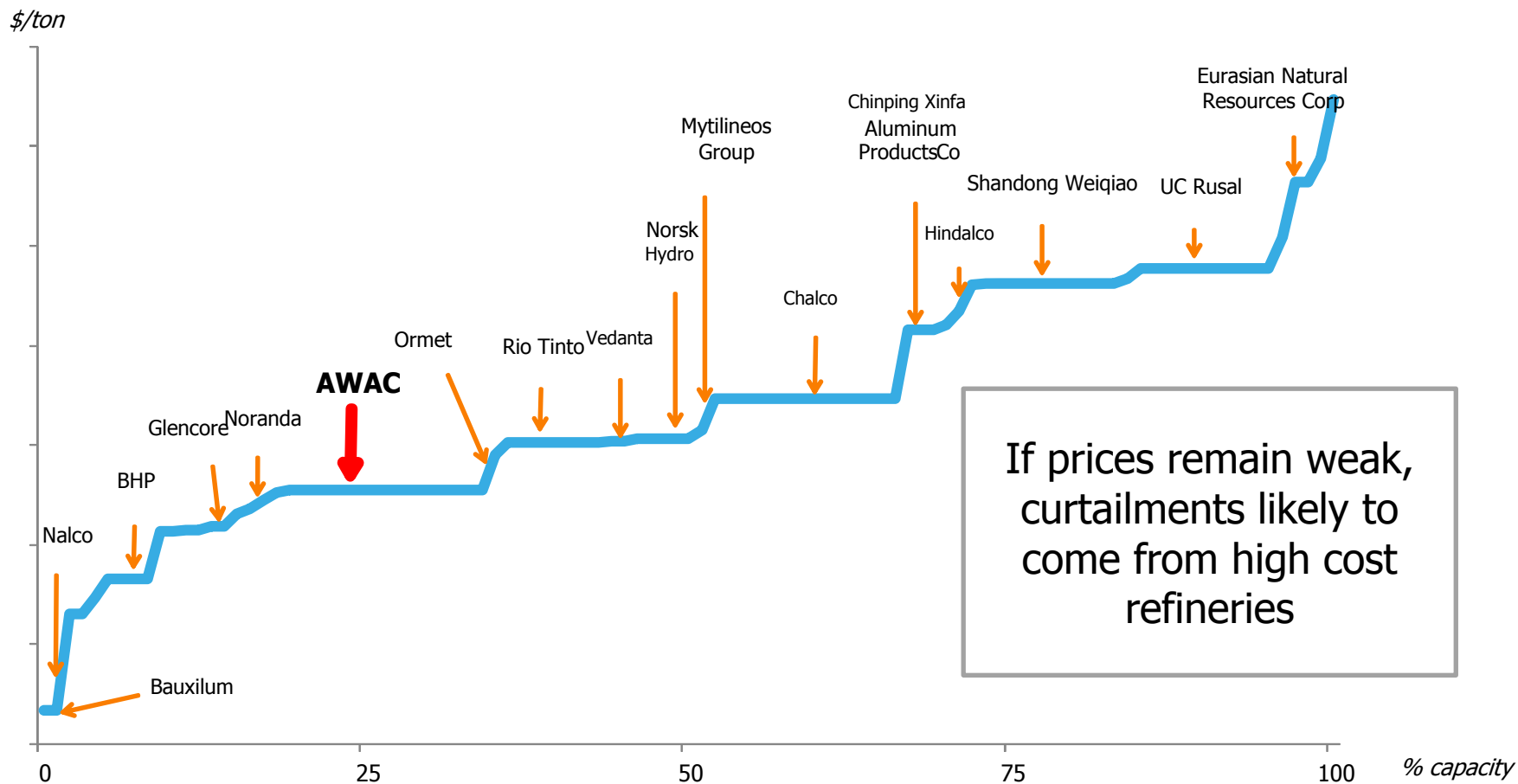
* Expressed in tons of alumina needed to satisfy each year's aluminum demand growth

Costs – looking forward

- Over 55% of AWAC production is in Australia
 - most costs in Australia are in A\$
 - in 2011, average exchange rate A\$1 = US\$1.03
- Caustic soda costs are above 2011 average
 - driven by energy prices and supply disruption
 - stays in storage for 3-6 months
- Strong focus on productivity throughout AWAC



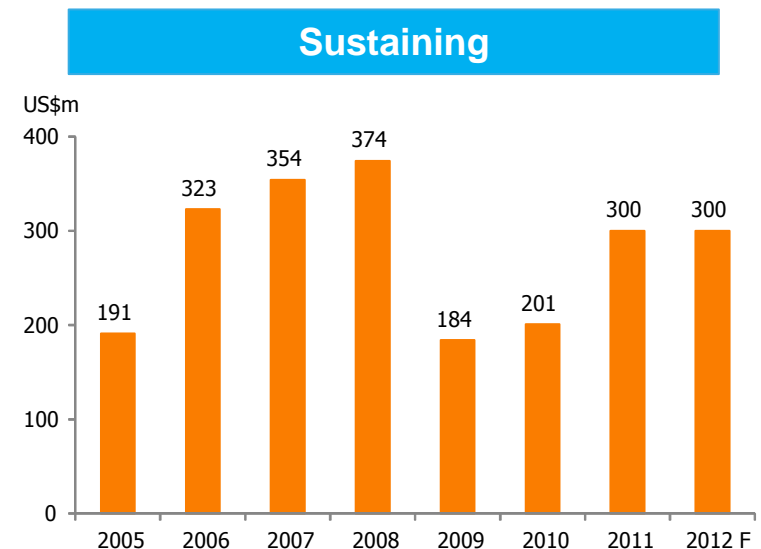
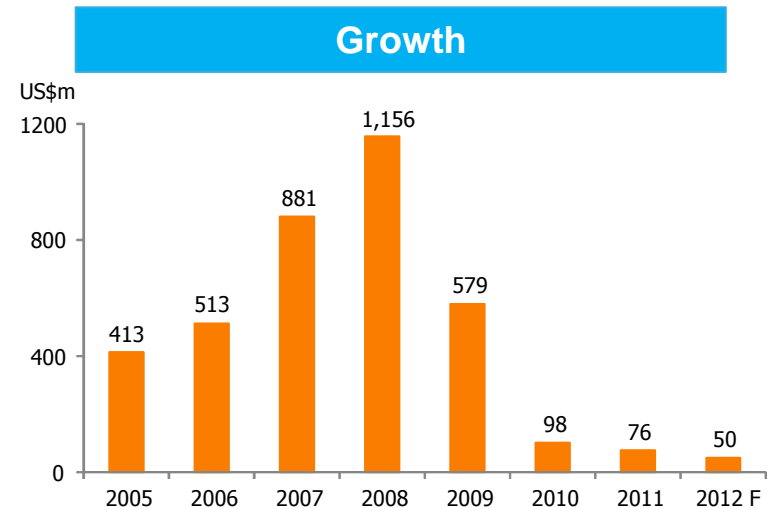
AWAC remains low on global alumina cost curve



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

AWAC capex limited to 2011 levels

- **Growth capex** is limited, mainly for finishing Brazil
- Forecast growth capex \$50m
- Equity injection for Saudi Project (Ma'aden) expected to be \$190m for 2012 for AWAC
- **Sustaining capex** varies from year to year, based on management priorities and will be prioritised during the year
- Forecast sustaining capex \$300m
- Crusher move in Australia commenced
- Base amount relates to construction of residue storage areas
- Sustaining capex is generally funded by operating units before dividend distribution



2012 AWAC Guidance

- Sensitivities to LME and AUD provided in Appendix 1
- LME sensitivity applicable only to tonnes sold on linkage, aluminium tonnes, and Alcoa purchase price
- Current production target 15.9 million tonnes of alumina, but will be adjusted to meet demand

Summary

- **Improved 2011 performance**
 - 2011 financial performance strong, notwithstanding substantial headwinds
- **Pricing progress**
 - evolution of pricing change a major step forward
- **Outlook**
 - cautious on 2012 because of currency, pricing and input cost risks
- **Global leader**
 - AWAC remains the global leader in bauxite and alumina, with production flexibility and position low on the industry cost curve



Appendix 1: AWAC Sensitivities

AWAC profit sensitivities include

- Based on two key variables for 2012
 - LME: +/- \$100 per tonne = +/- \$102m profit before tax, keeping everything else constant
 - USD/AUD: +/- 1 cent = -/+ \$19m profit before tax, keeping everything else constant
- 2011 averages were
 - LME: \$2,422 per tonne
 - A\$1 = US\$1.03
 - Assumes 2012 production of 15.9m tonnes (2011: 15.7m tonnes)



Appendix 2: AWAC Assets

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 2010 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⁾	Name Capacity ⁽²⁾ (MTPY)	AWAC Share (MTPY)
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%) 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



Appendix 3: Relating Alcoa's Results to AWC

AWC underlying earnings vs Alcoa reported minority interest*

Reconciliation update against Alcoa minority interest

	2H 2011	1H 2011	2H 2010	1H 2010
Alcoa Minority Interest (US GAAP)	\$81m	\$113m	\$82m	\$56m
Accounting Adjustments (IFRS) ¹ :				
Foreign Tax Differences	(\$9)m	(\$10)m	(\$42)m	-
Inventory (LIFO to FIFO)	\$3m	\$1m	(\$8)m	(\$2)m
Other	(\$2)m	\$1m	\$4m	(\$4)m
Alcoa Adjusted Minority Interest (IFRS)	\$73m	\$105m	\$36m	\$50m
Alumina Underlying Earnings (pre funding and corporate costs)²	\$71m	\$103m	\$38m	\$49m

* Alcoa Inc quarterly financial reports include net profit attributable to non-controlling interests (minority interests). Minority interests include Alumina Limited's 40% equity share of AWAC

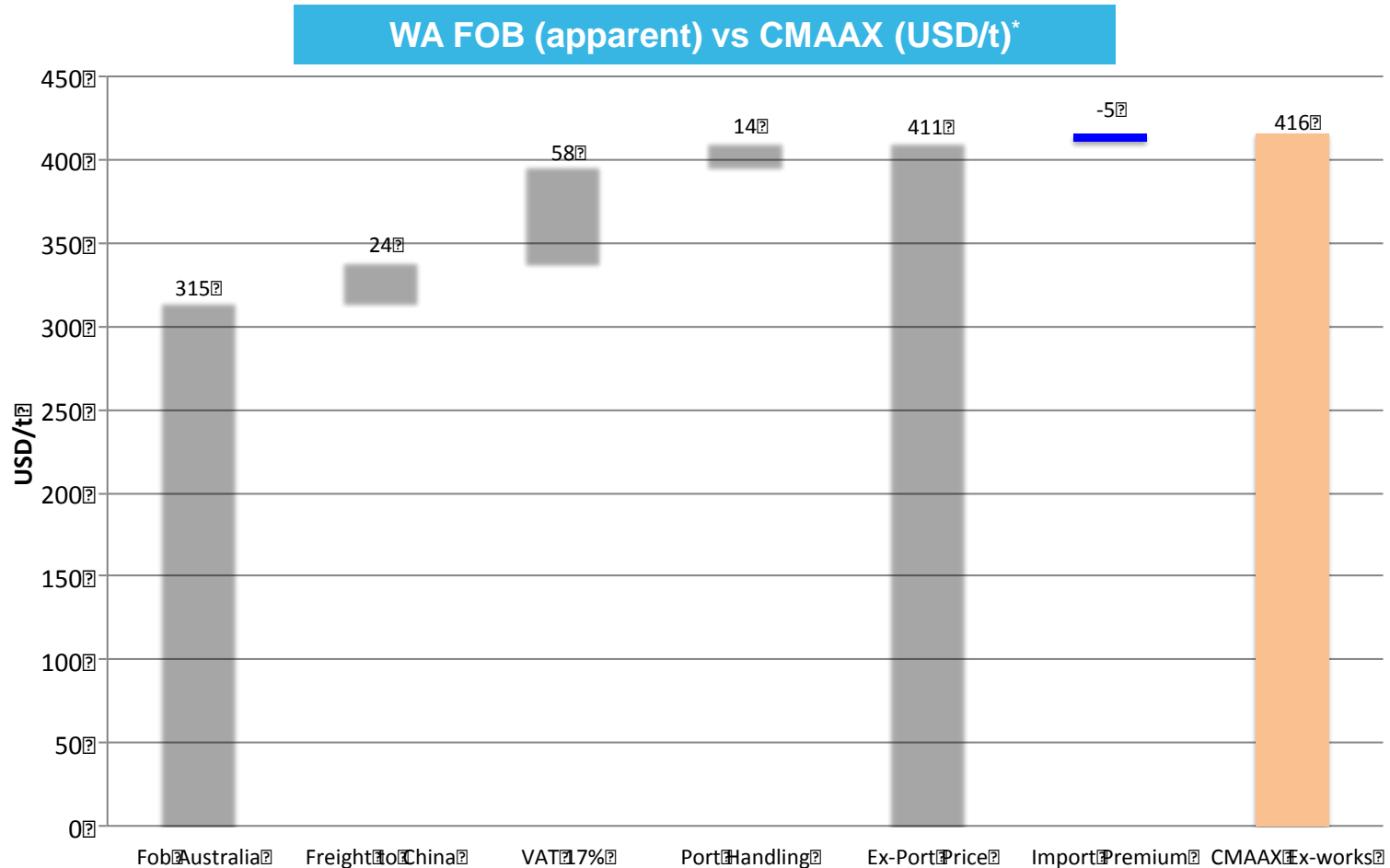
1. Net adjustments to arrive at underlying earnings

2. 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



Appendix 4: Pricing Index Comparisons

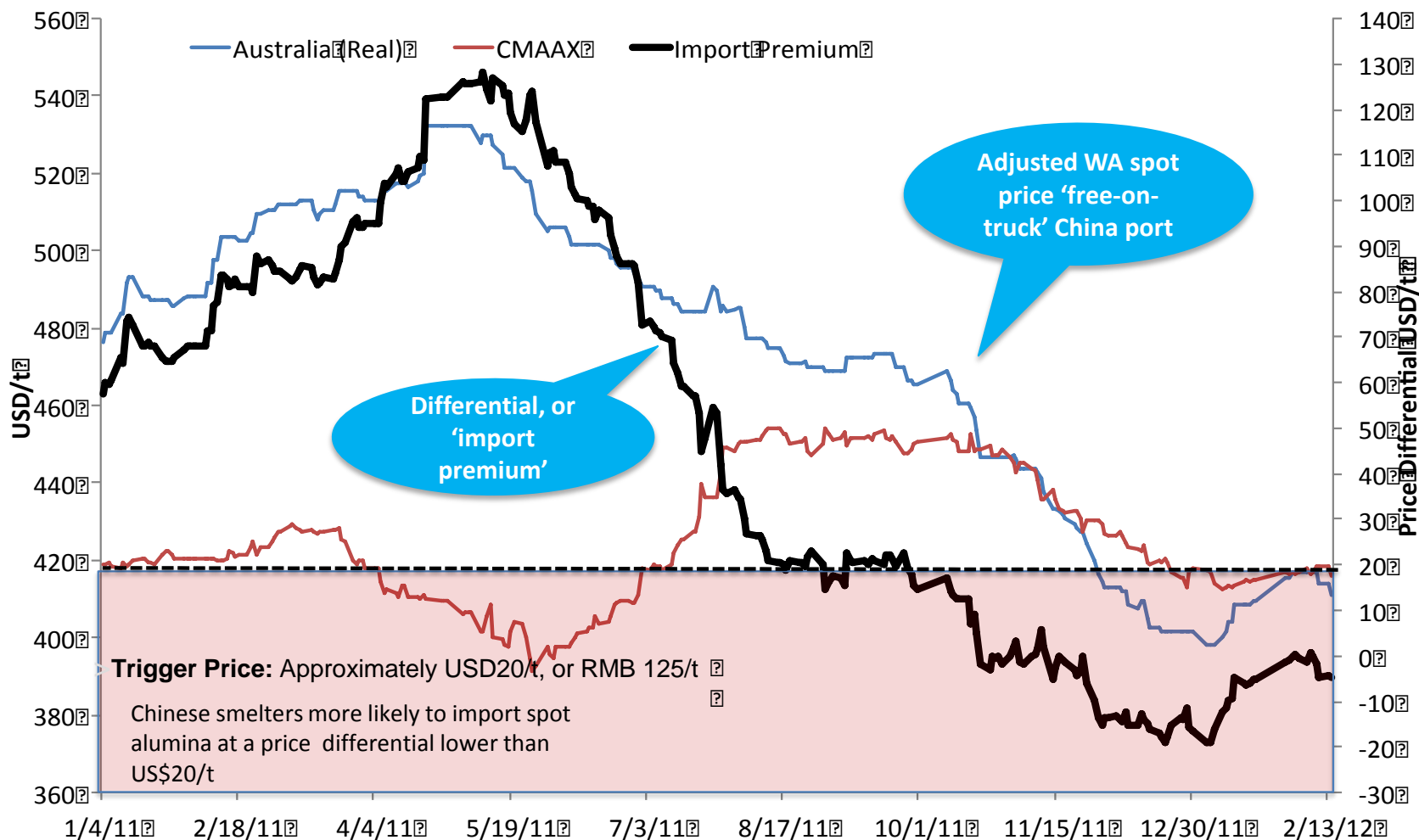
Converting FOB WA price to Chinese port prices



USD:RMB=6.29

* As at 14 February 2012

Adjusted spot alumina import prices*



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