ALUMINA LIMITED

ASX Announcement 4 April 2014

Annual Review 2013

Attached, in accordance with Listing Rule 3.17 is a copy of Alumina Limited's Annual Review 2013.

Stephen Foster
Company Secretary

4 April 2014

Alumina Limited

ABN 85 004 820 419

GPO Box 5411
Melbourne Vic 3001
Australia

Level 12 IBM Centre
60 City Road
Southbank Vic 3006
Australia

Tel +61 (0)3 8699 2600
Fax +61 (0)3 8699 2699
Email info@aluminalimited.com

BELOW THE

ANNUAL REVIEW 2013

ALUMINA
LIMITED

contents

BELOW THE SURFACE

JUST METRES BELOW THE SURFACE, ALCOA WORLD ALUMINA & CHEMICALS (AWAC) HAS ACCESS TO AN IMPORTANT AND ABUNDANT RESOURCE. BAUXITE – THE PRINCIPAL ORE FROM WHICH ALUMINIUM IS DERIVED.

It's value is rising as alumina producers, particularly in China, import more bauxite. The availability and quality of Chinese domestic bauxite is declining. In 2013 China imported 71.6 million mt of bauxite.

Although bauxite is commonly found around the world, types and quality vary significantly. Its location for access and transportation can render it commercially uneconomic to extract. Also, obtaining the approvals to mine or import bauxite from another country can be difficult and time-consuming.

BAUXITE MINES

AUSTRALIA _ Darling Range (Huntly, Willowdale)	
PRODUCTION 2013	31.4 million bone dry metric tonne (bdmt)
OWNERSHIP	100% owned

GUINEA _ Boké	
PRODUCTION 2013	3.4 million bdmt
OWNERSHIP	23% owned

BRAZIL _ Juruti	
PRODUCTION 2013	3.9 million bdmt
OWNERSHIP	100% owned

BRAZIL _ Trombetas	
PRODUCTION 2013	1.55 million bdmt
OWNERSHIP	9.6% owned

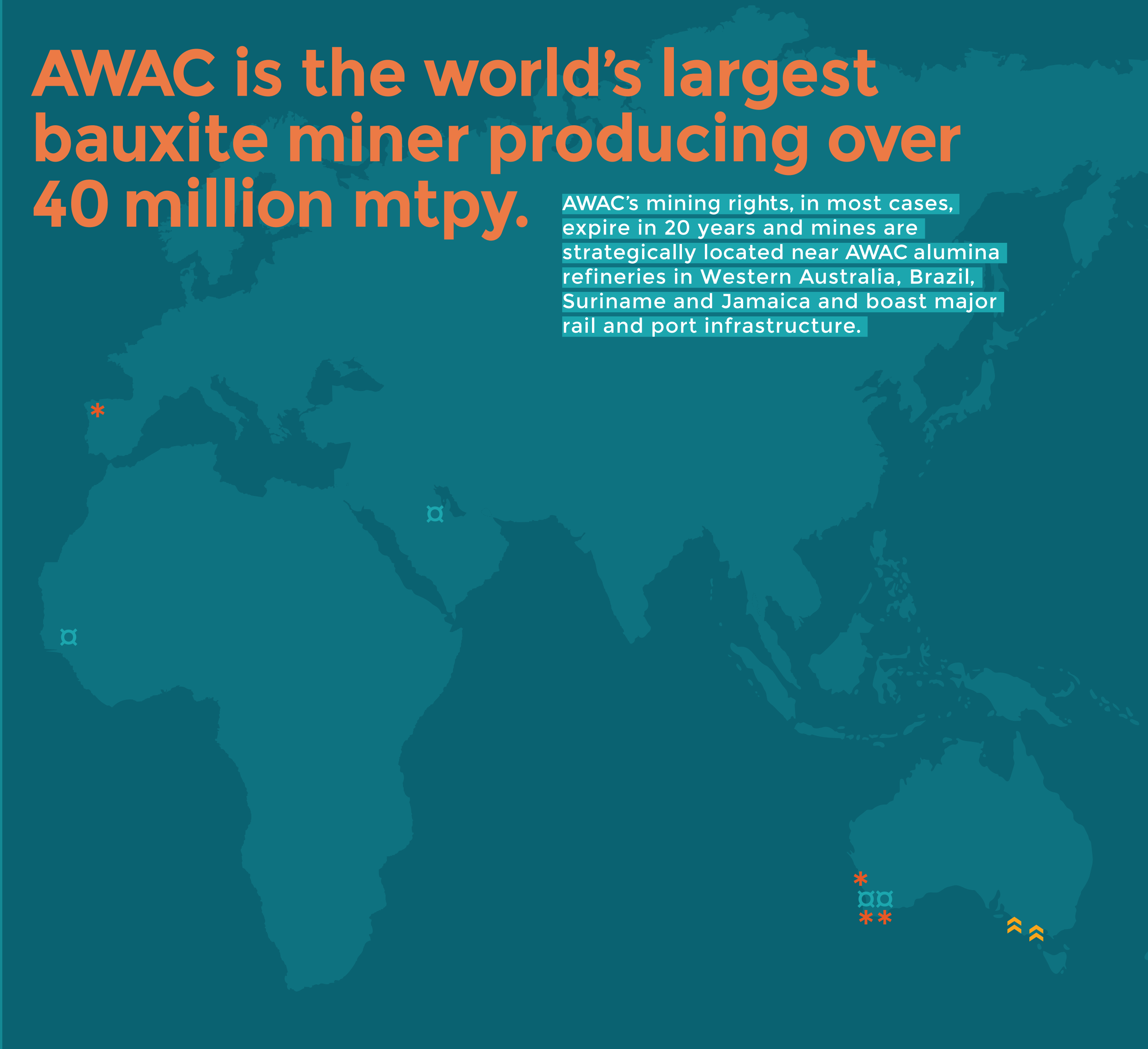
JAMAICA _ Harmon's Valley, South & North Manchester	
PRODUCTION 2013	1.8 million bdmt
OWNERSHIP	55% owned

KINGDOM OF SAUDI ARABIA _ Al Ba'itha	
Production to begin in 2014	
OWNERSHIP	25.1% owned

SURINAME _ Coermotibo & Onverdacht	
PRODUCTION 2013	2.7 million bdmt
OWNERSHIP	100% owned

AWAC is the world's largest bauxite miner producing over 40 million mtpy.

AWAC's mining rights, in most cases, expire in 20 years and mines are strategically located near AWAC alumina refineries in Western Australia, Brazil, Suriname and Jamaica and boast major rail and port infrastructure.



ALUMINA REFINERIES *

Australia _ Kwinana, Pinjarra, Wagerup	
AWAC CAPACITY	8.98 million metric tonnes per year (mtpy)
OWNERSHIP	100%

BRAZIL _ Sao Luis (Alumar)	
AWAC CAPACITY	1.37 million mtpy
OWNERSHIP	39%

JAMAICA _ Jamalco	
AWAC CAPACITY	841 thousand mtpy
OWNERSHIP	55%

SPAIN _ San Ciprian	
AWAC CAPACITY	1.5 million mtpy
OWNERSHIP	100%

SURINAME _ Paranam	
AWAC CAPACITY	2.2 million mtpy
OWNERSHIP	100%

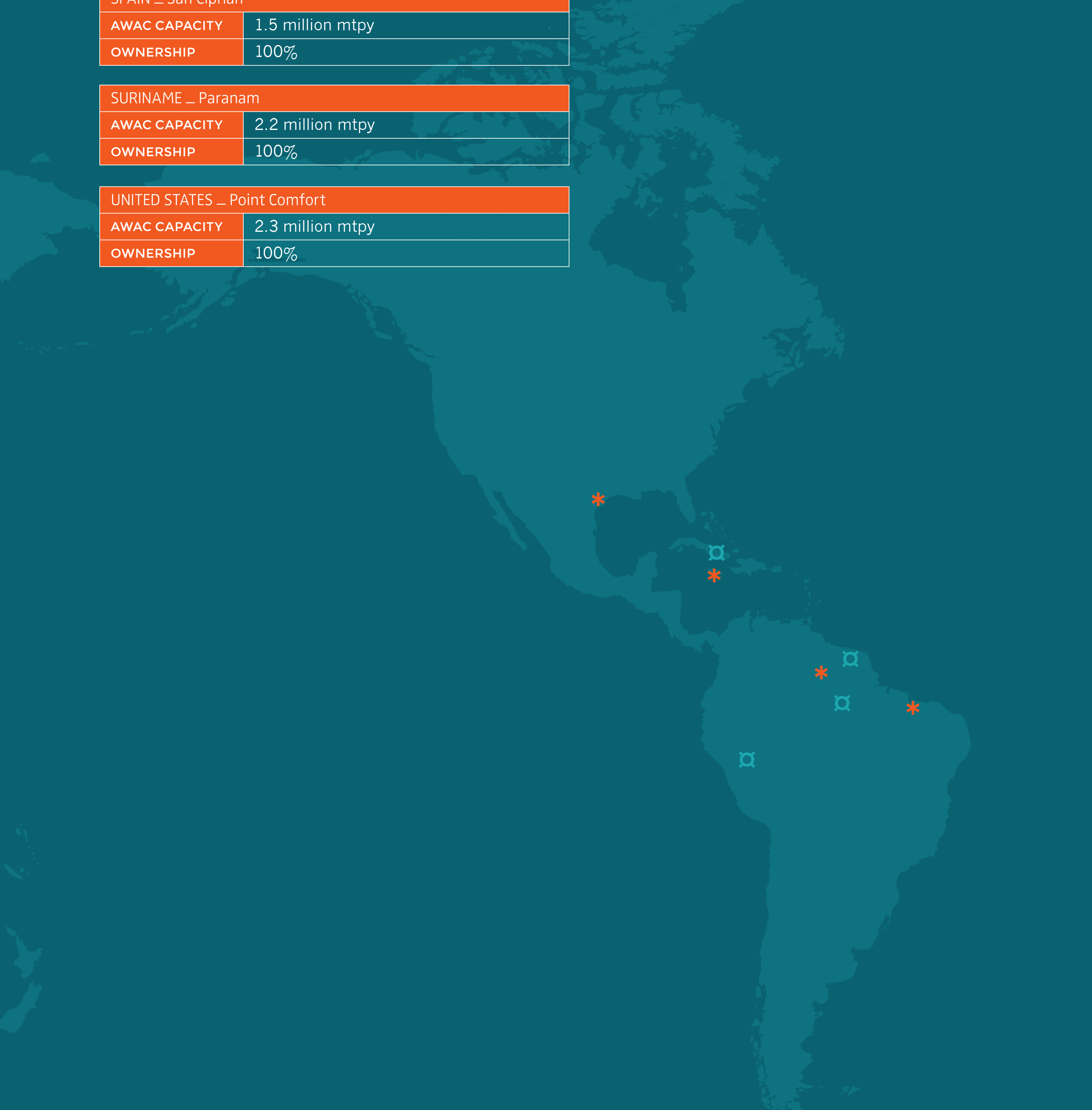
UNITED STATES _ Point Comfort	
AWAC CAPACITY	2.3 million mtpy
OWNERSHIP	100%

SMELTERS

AUSTRALIA _ Portland	
AWAC CAPACITY	197,000
OWNERSHIP	55% owned

AUSTRALIA _ Point Henry	
AWAC CAPACITY	190,000 mt
OWNERSHIP	100% owned

AWAC TOTAL EMPLOYEES (2012)	7,931
EMPLOYEES IN ALUMINA PRODUCTION	7,042
EMPLOYEES IN ALUMINIUM PRODUCTION	877
EMPLOYEES IN CHEMICAL AND OTHER	12



Challenging market conditions continued in 2013, stemming from a well-supplied alumina market, a sustained low international alumina pricing environment and an unfavourable foreign exchange position. Against this backdrop, Alumina Limited improved its results by recording a net profit of US$0.5 million, an increase of US$56.1 million from the previous year. Contributing factors were lower overheads and finance costs for Alumina Limited and an improved financial performance by Alcoa World Alumina and Chemicals (AWAC).

AT A GLANCE

ALUMINA LIMITED RESULTS

$0.5m

NET PROFIT US$0.5 MILLION (2012: NET LOSS US$-55.6 MILLION)

$-2.7m

UNDERLYING EARNINGS WAS A LOSS OF US$-2.7 MILLION (2012: UNDERLYING LOSS US$-62.0 MILLION)

$135.2m

NET DEBT US$135.2 MILLION (2012: US$664.4 MILLION)

4.6%

GEARING 4.6 PER CENT (2012: 20.1 PER CENT)

$107.3m

AWAC DIVIDENDS AND DISTRIBUTIONS OF US$107.3 MILLION RECEIVED (2012: US$95.1 MILLION)

0.02%

RETURN ON EQUITY 0.02 PER CENT (2012: NEGATIVE 2.0 PER CENT)

In 2014 it is expected that demand for aluminium metal will increase by approximately six per cent driven by the construction, transport and packaging sectors. However the price for alumina which was virtually flat compared to 2012 prices is likely to remain challenged into 2014. The production of alumina has not matched the curtailments in aluminium smelting resulting in an oversupply of alumina. This may continue also in 2014.

However some higher cost curve refineries may curtail and a shortage of bauxite imports into China may increase alumina sales. The current alumina price is a disincentive to build more alumina production capacity outside of China to meet the expected future demand for aluminium. Therefore in several years' time, alumina supply could significantly tighten and possibly go into deficit. AWAC is one of the world's lowest cost producers of alumina and long-life bauxite deposits.

AWAC's financial performance benefited from cost control and productivity improvements resulting in lower production costs per tonne and the ongoing transition to spot or indexed pricing for alumina. Alumina's net debt position was reduced from US$664 million to US$135 million largely due to the A$452 million share placement in February 2013 and also from US$107 million received in dividends and distributions from AWAC, resulting in a strong balance sheet and reducing gearing to 4.6 per cent.

A number of significant one-off expense items impacted the AWAC results reducing an otherwise improved operating performance.

AWAC – A GLOBAL BUSINESS

AWAC RESULTS

$-248.7m

AWAC NET LOSS AFTER TAX US$-248.7 MILLION (2012 NET LOSS AFTER TAX: US$-91.9 MILLION)

15.8m

ALUMINA PRODUCTION OF 15.8 MILLION TONNES (2012: 15.6 MILLION)

$656.0m

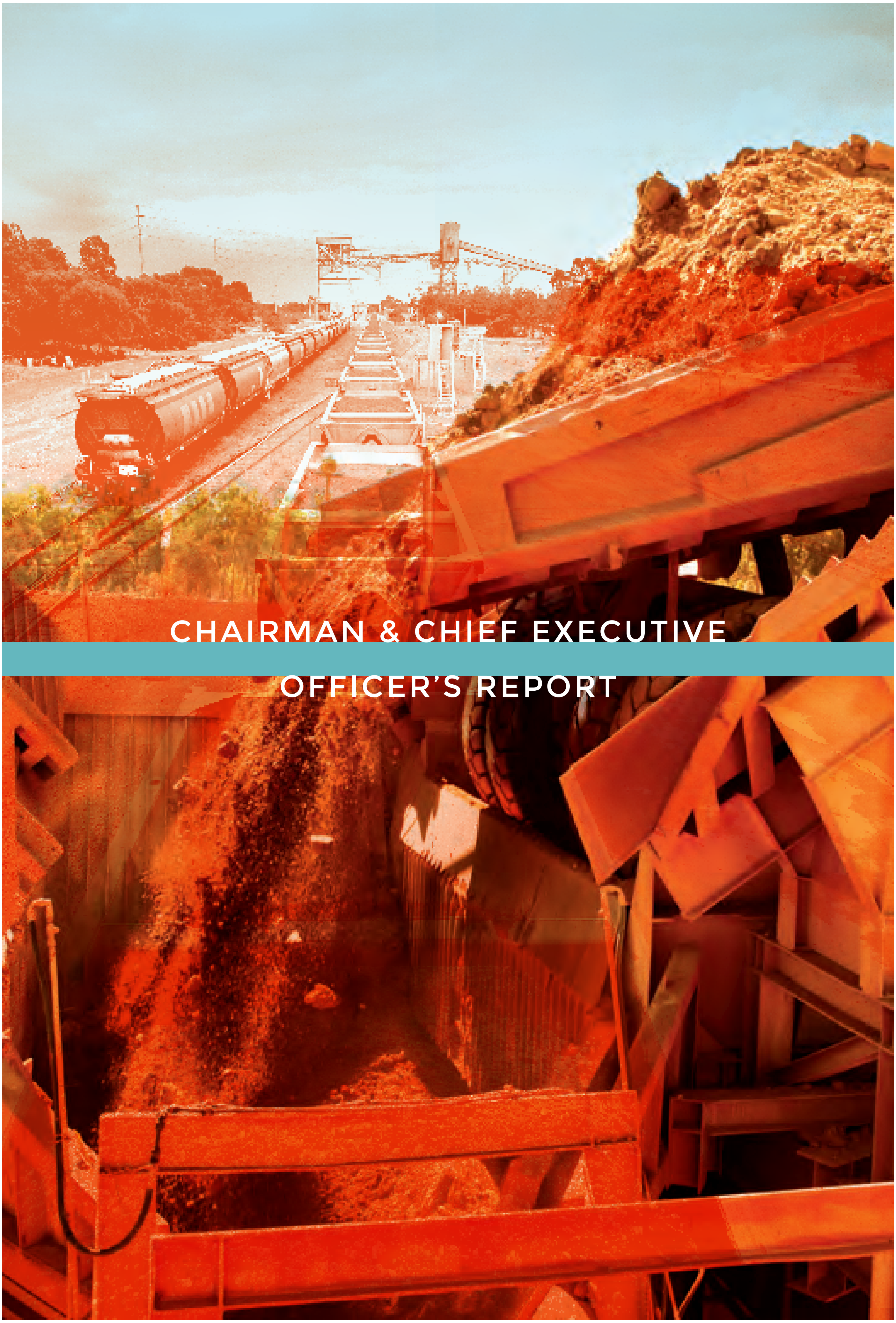
AWAC CASH FROM OPERATIONS US$656.0 MILLION (2012: US$241.9 MILLION)

Alumina Limited is a leading Australian company listed on the Australian Securities Exchange (ASX).

We invest worldwide in bauxite mining, alumina refining and selected aluminium smelting operations through our 40 per cent ownership of Alcoa World Alumina and Chemicals (AWAC), the world's largest alumina business.

Our partner, Alcoa Inc. (Alcoa), owns the remaining 60 per cent of AWAC, and is the manager. The AWAC joint venture was formed in 1994 and our relationship with Alcoa dates back to 1961.

Alumina Limited represents a unique opportunity for a pure investment in AWAC, the world's largest alumina and bauxite producer.



CHAIRMAN & CHIEF EXECUTIVE OFFICER'S REPORT

It was a watershed year for Alumina Limited in 2013, with the Company welcoming a new cornerstone shareholder and pursuing a range of strategies to position the Company for the long term.

While international conditions remained challenging, the Company's overall financial position improved thanks to a number of steps taken by the Board and management to ensure that the Company was best placed to prosper in the current environment.

Net debt levels at year end were reduced to $135 million, approximately 80 per cent lower than the previous year. Improved AWAC operating cash flows and the equity raising with CITIC Group in February 2013 have given us a much stronger balance sheet.

As a result of these improvements, overall market conditions saw Alumina Limited record a profit of US$0.5 million for 2013 compared to a $55.6 million loss in 2012.

Alumina Limited did not declare a dividend for 2013, recognising the continuing low prices for AWAC's products and the underlying level of profitability for the year. However, the outlook for a possible return to the Company paying dividends is now positive, given its lower debt levels and excellent AWAC cash-flow management.

HIGHLIGHTS

The 2013 results were impacted by the challenging international pricing and foreign exchange environment. The aluminium market continued to suffer from low prices due to macro economic conditions and sentiment arising from high inventory levels.

Given this, the importance and benefit of AWAC's move toward spot or index pricing cannot be underestimated. In 2013 the alumina index price substantially outperformed alumina sold under historical contracts based on the London Metal Exchange (LME) aluminium price. In 2014 AWAC expects to sell 65 per cent of its smelter grade alumina on an index or spot basis.

Departing Chief Executive Officer (CEO), Mr John Bevan was a major driver in encouraging the change from LME linked to alumina index prices. Since the initial promotion of this concept, its value has been shown to be more important as LME prices have been depressed while market premiums for metal over LME prices have risen to levels rarely, if ever, experienced.

Alumina Limited was pleased to welcome the CITIC Group as a shareholder in 2013, placing 15 per cent of the Company's then capital base with them, representing 13.04 per cent of Alumina's capital base following completion of the placement.

The Board considered it a fundamental way to strengthen the Company's balance sheet while introducing a shareholder with an intimate knowledge of China – the major growth market for aluminium and alumina. CITIC Group is also crucially a company with a long-term vision for opportunities in our industry. The Board believes that the placement to CITIC was a unique opportunity.

CITIC Resources Holding Limited's CEO, Mr Chen Zeng, was appointed a Director of Alumina Limited and was re-elected to the Board at the 3 May 2013 Annual General Meeting.

Managing the financial position of Alumina Limited was a core strategy during the current economic environment.

We were pleased that during the year the Company was able to enter new financing arrangements, through a $300 million syndicated debt facility entered into in December 2013.

With the assistance of our lenders we have been able to structure our loans to reflect the unique cash-flow characteristics of Alumina Limited as a non-operating company and also to reflect our strong investment in world class assets.

The Company has decided to withdraw its listing on the New York Stock Exchange. This will save significant administrative costs. Alumina Limited will maintain its US American Depositary Receipts (ADR) program in the US Over-the-counter (OTC) market, and remains committed to its US investors.

Lower corporate costs of US$17.2 million in 2013 was the result of a particular focus on cost reduction. For non-employee costs, there was a decline of approximately 36 per cent year on year.

Operationally, Alumina Limited continued to support strategies during 2013 that enhanced the long-term outlook for the viability and success of the joint venture, AWAC.

A competitive energy supply is crucial to AWAC both as part of current costs as well as overall strategic positioning. Alumina Limited has strongly supported strategic and tactical outcomes on energy and Board members with direct industry knowledge have actively engaged with AWAC in energy discussions. The first major action as part of AWAC's energy strategy is a conversion from fuel oil to natural gas at AWAC's San Ciprian facility to improve its cost position.

Our new Chief Executive Officer, Mr Peter Wasow, has particular experience in this regard and will bring that to his role on the Strategic Council. Working on energy strategies remains a major focus of the Company and AWAC in 2014.

Elsewhere, opportunities are arising for AWAC through the sale of bauxite. The Company, through its role on the AWAC Strategic Council, has strongly encouraged the managing partner to pursue these sales and prompted growth in bauxite mines where appropriate. The Juruti mine in Brazil, which supplies the Alumar refinery, will expand further to an annual capacity of 4.9 million metric tonnes per annum (mtpa).

BOARD AND MANAGEMENT

Alumina Limited has continued its process of Board renewal in 2013. Peter Hay, who has been a director of the Company since its demerger in 2002, retired during the year. Peter provided stability and experience as new directors were introduced and the Company completed its key objectives for 2013. Alumina Limited has been fortunate to have not only Chen Zeng join as a director, but also Peter Day and Mike Ferraro. Peter Day was previously Chief Financial Officer of Amcor and will take on the role as Chair of the Audit Committee. Mike Ferraro brings extensive skills and experience as a partner of Freehills and through previous senior management roles within the resources industry.

Particular thanks goes to John Bevan who retired as Chief Executive Officer at the end of 2013. During John's five and a half years as CEO he steered the Company through a challenging and volatile period, and he worked constructively to represent our interests with Alcoa.

Peter Wasow, who has been a non-executive director of Alumina Limited since 2011, began as CEO on 1 January 2014.

Peter Wasow comes to the role with over 30 years of experience in the resources and energy sectors, including as Chief Financial Officer and Executive Vice President of Santos, and more than 20 years with BHP, including as Vice President, Finance.

REMUNERATION

We acknowledge remuneration-related concerns expressed by shareholders at the 2013 AGM and in private discussions.

We have sought to address those concerns by revising the disclosure of remuneration objectives to provide greater transparency and implementing some changes to the remuneration arrangements for 2014. These include changes to the remuneration structure for the CEO, where the target remuneration for 2014 has been reduced by 28 per cent. The Short Term Incentive for the CEO was reduced from a 80 per cent target level of FAR to 26 per cent. The grant value of the Long Term Incentive was also reduced, and retesting will not apply to Performance Rights issued from 2014.

The Company's 2013 Remuneration Report provides full details of the personal objectives of senior executives and an assessment of performance against those objectives in considering short-term incentives for the year. Having regard to performance being achieved against those personal objectives, a short-term incentive award was made to the CEO and senior management.

For Non-Executive Directors, there is no increase in fees for the 2014 year and fees have been unchanged from 1 January 2012.

STRATEGY

In the long term, returns will increasingly be influenced by having a competitively priced energy supply and a sustainable and low-cost bauxite position.

The benefit of the Company's 40 per cent ownership of the AWAC joint venture is that AWAC has significant reserves and resources of bauxite, and the refineries that AWAC operates are low on the cash cost curve.

Our Board is keenly aware that there are structural changes occurring in the alumina and aluminium industries. Its strategies are focused on ensuring that, as those changes occur, the Company is positioned to remain competitive in the long term.

Low metal prices, rising input costs and the persistently high Australian dollar have seen the Point Henry smelter in Geelong become unprofitable. Alcoa of Australia reviewed the future viability of the Point Henry smelter and determined that the 50-year-old smelter has no prospect of becoming financially viable.

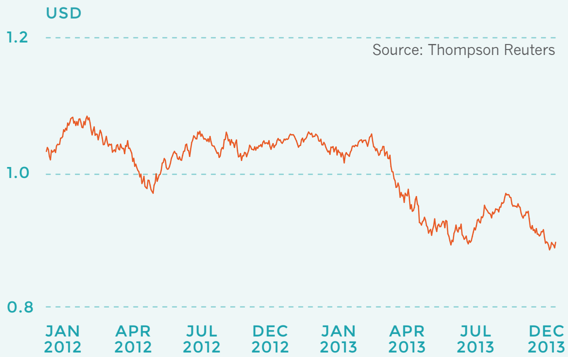
As mentioned earlier, to be successful in the changing alumina industry, pricing needs to be an alumina price index or spot price rather than aligned to the LME aluminium price. Our strategies in this regard are beginning to bear fruit.

SUSTAINABILITY

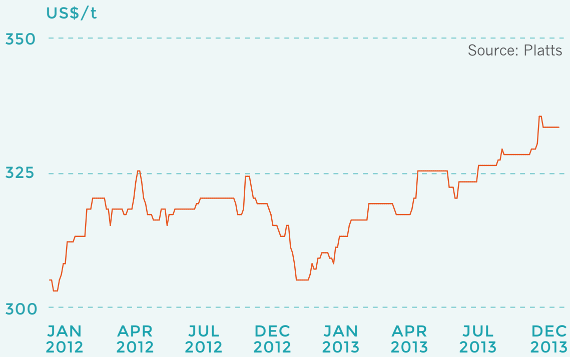
Sustainability is crucial in maintaining AWAC's competitive edge and safeguarding its licence to operate and grow. AWAC recognises this by embedding sustainability targets in business performance objectives and employee key performance indicators.

Alumina Limited has developed a Sustainability Update based upon the Global Reporting Initiative. The update is available for viewing on the Company website. We encourage you to read this comprehensive review.

AUD/USD EXCHANGE RATE



PLATTS ALUMINA SPOT INDEX



OUTLOOK

International conditions mean that the outlook remains challenging for Alumina Limited, but there are signs of improvement. Despite an expected oversupply of alumina in 2014, alumina spot prices in 2014 have been steady.

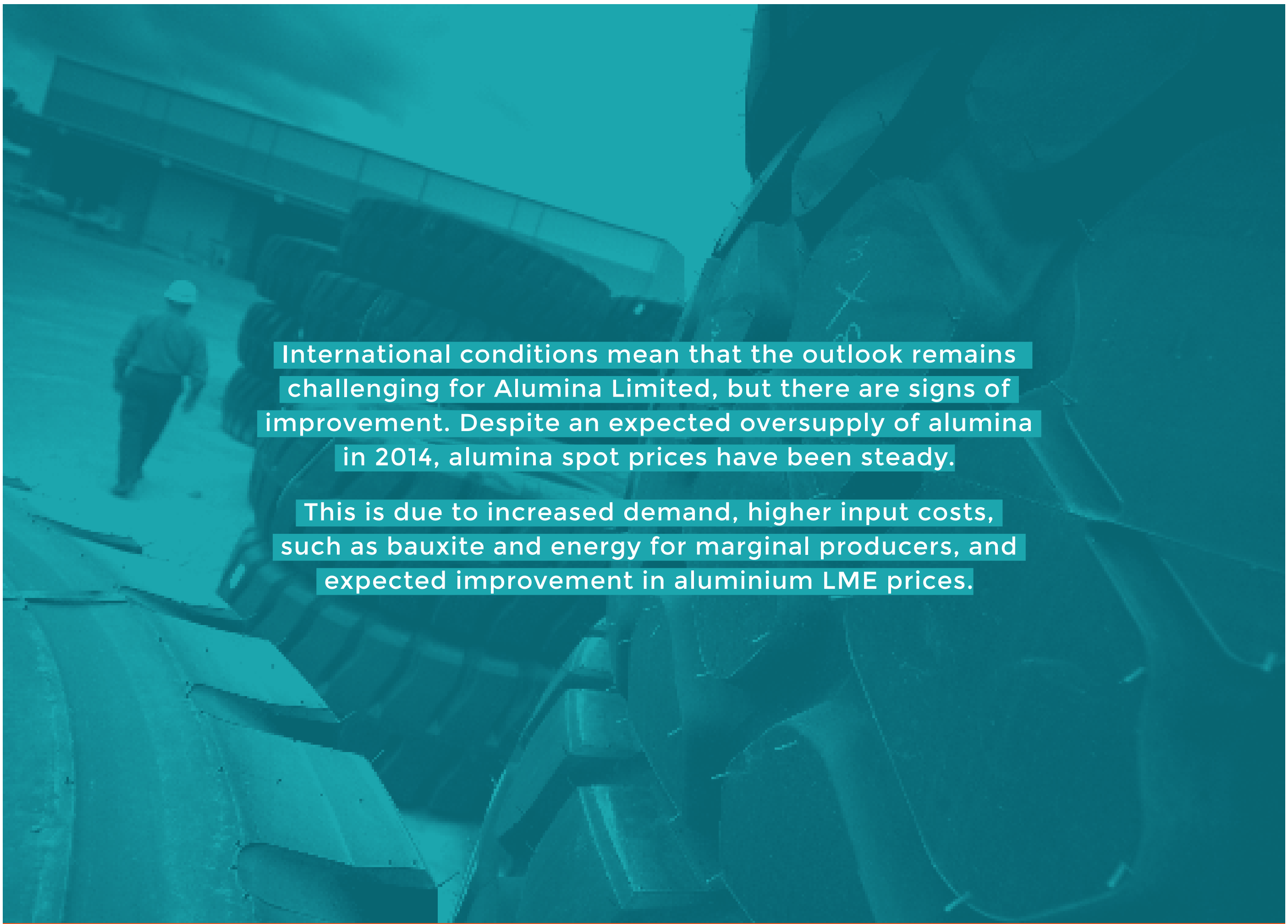
The Australian dollar has considerably weakened in late 2013 and into 2014. This will have a positive effect on AWAC's costs and margins.

Globally, the 2013 alumina market was in surplus, and this is expected to be the case for 2014. Indonesia is China's largest supplier of imported bauxite. On 12 January 2014, the Indonesian export ban of unprocessed ores came into effect, and has disrupted bauxite exports to China. However, this ban is unlikely to affect 2014 production of alumina in China because of the significant stockpiling of bauxite leading up to the ban, with levels reportedly of at least six months.

The Board would like to thank the management and staff of Alumina Limited for their work in 2013.

JOHN PIZZEY
Chairman

PETER WASOW
Chief Executive Officer



International conditions mean that the outlook remains challenging for Alumina Limited, but there are signs of improvement. Despite an expected oversupply of alumina in 2014, alumina spot prices have been steady.

This is due to increased demand, higher input costs, such as bauxite and energy for marginal producers, and expected improvement in aluminium LME prices.

SUSTAINABILITY AND THE AWAC BUSINESS

AWAC is the world's largest single bauxite and alumina producer with interests' in operations in Australia, Brazil, Jamaica, Suriname, Spain and Texas in the United States. AWAC also has minority interests in an alumina refinery and mine in Saudi Arabia and mining activities in Guinea and Brazil. AWAC's 60 per cent majority owner Alcoa, is the manager/operator of the joint venture and is responsible for the development and implementation of AWAC's sustainability strategies.

Sustainability is a core business commitment shared by Alumina Limited and Alcoa. Put into action, that commitment enables the business to operate more effectively, efficiently and safely, generating benefits to shareholders, employees, the environment and communities in which AWAC operates. That commitment is reflected in key sustainability targets that drive business activity towards improved productivity and results and improved environmental and social outcomes.

1 ACQUISITION OF BAUXITE RESERVES

Aluminium ore, most commonly bauxite, is plentiful and exists mainly in tropical and sub-tropical areas – Africa, West Indies, South America and Australia – with some deposits in Europe. Although plentiful, bauxite quality is diminishing, is often not readily accessible and is becoming harder to gain approvals for expansions or new mines. AWAC is the world's largest bauxite miner. AWAC operates mines integrated with alumina refineries in Western Australia, Brazil, Jamaica and Suriname.

AWAC's licence to operate is based on its recognised ability to successfully restore mining sites to their pre-mining condition, re-establishing eco-systems and biodiversity values. Before expanding or commencing a new mine, external consultants are engaged to conduct comprehensive environmental impact assessments to determine the impact the project would have on the environment. The ecosystem and species diversity are thoroughly analysed with special emphasis on threatened species, critical habitats and unique flora and fauna. Engagement with the local communities and stakeholders is also a priority to identify and evaluate specific sustainability issues, environmental, economic and social.

2 BAUXITE MINING

AWAC's bauxite deposits are generally extracted by open cut mining from strata, typically some 4–6 metres thick under a shallow covering of topsoil and vegetation. The topsoil is removed and stored for later use in restoration of the forest. Generally there is a layer of capstone that is removed to expose the bauxite ore which is extracted, broken up and transported to refineries for further processing. AWAC is the world's largest bauxite miner and is well positioned with long life mines. AWAC's Huntly mine is the world's largest bauxite mine, supplying bauxite ore to the Pinjarra and Kwinana Refineries.

Mining is generally limited to relatively small pits and haul roads or infrastructure such as conveyors and railways are constructed to enable transportation of the ore. Particular care is taken in building roads etc to avoid isolation of wildlife, disruption of streams and critical habitats. For example in Australia, haul roads were repositioned to protect nesting areas for threatened bird species. Mining operations can alter rainfall runoff patterns and surface and ground water hydrology which can have impacts on stream ecology and biodiversity. These are monitored and managed to preserve biodiversity.

3 MINE REHABILITATION

Rehabilitation is one of the most important parts of the mining process. AWAC supports the objective of returning mined areas to a sustainable future use. In most cases this means returning disturbed land to the pre-existing flora and fauna condition. Preservation of biodiversity of plant species and fauna species is an important focus and is a major consideration for rehabilitation plans or future use decisions.

A key objective at AWAC's mines and bauxite residue areas is to minimise the footprint of disturbed land by implementing a program of progressive land rehabilitation. Key drivers towards a minimum footprint are: 2020 – achieve a rolling five–year corporate-wide ratio of 0.75:1 for new active mining disturbance to rehabilitation and in 2030, maintain a ratio of 1:1 to ensure no net expansion in new disturbance (neutral-footprint). In the Western Australian mines AWAC has achieved 100 per cent of plant species richness in AWAC's rehabilitated mining areas, the first mining operation in the world to achieve that goal.

AWAC SUSTAINABILITY APPROACH

AWAC's sustainability targets and efforts are not focussed on simply achieving short-term benefits or gains, rather they are developed and directed to result in enduring benefits.

Alcoa has developed a process framework of business roadmaps to achieve long-term sustainability goals and scorecards to integrate sustainability concepts into business process.

The roadmap charts the processes, business decisions and technical improvement to meet long-term objectives.

The scorecards concentrate on short-term sustainability goals and their integration into business strategy. The scorecards are also a mechanism to measure progress against shorter-term sustainability goals.

For more detail of Alumina Limited's sustainability policy and practices and the sustainability process within the AWAC joint venture, please visit the Sustainability Update located in the sustainability section of the Company website at www.aluminalimited.com/sustainability-update-2012

4 REFINING

Aluminium does not occur naturally as a metal, but must first be refined from bauxite in its oxide form. Bauxite is washed, ground and dissolved in caustic soda (sodium hydroxide) at high pressure and temperature at an alumina refinery. Approximately two tonnes of alumina are required to produce one tonne of aluminium. AWAC is the world's largest alumina business operating eight alumina refineries in several countries.

Refining alumina is an energy intensive operation. Therefore key AWAC sustainability targets involve improving energy efficiency and reducing GHG emissions. A strategy is to source operating locations with low carbon based power. In 2014 the San Ciprian refinery energy source is gradually being converted from fuel oil to natural gas. Alcoa's Global Primary Products (GPP) has a long-term goal of reducing GHG emissions compared to 2005 levels by 30% by 2020 and 35% by 2030. Also, for each tonne of alumina produced approximately two tonnes of bauxite residue results. The goal is to reduce bauxite residue land requirements per unit of alumina by 15% by 2020 and 30% by 2030 and recycle or reuse 15% of residue generated by 2020 and 30% by 2030.

5 SMELTING

Alumina is converted into aluminium by dissolving it in an electrolytic bath of molten cryolite (sodium aluminium fluoride) within a large carbon or graphite lined steel container known as a "pot". An electric current is passed through the electrolyte at low voltage, but very high current. Molten aluminium is deposited at the bottom of the pot and is siphoned off periodically. It can be blended to an alloy specification, cleaned and then generally cast. AWAC operates two smelters at Point Henry and Portland in Australia with a joint equity capacity of 387,000 tonnes of metal.

The process of aluminium smelting requires significant amounts of electricity resulting in GHG emissions. Process efforts have been focussed on reducing direct emissions associated with perflurorcarbons in the smelting process and also opportunities to reduce energy intensity.

6 RECYCLING

First produced in 1888, aluminium has become the second most-used metal in the world after iron.

Nearly three-quarters of all aluminium ever made remains in use today, representing a growing 'energy and resource bank' and the metal can be recycled repeatedly without any loss of quality.

While AWAC is not involved in recycling of aluminium, it is important to appreciate that the end product from AWAC's business can be easily recycled. Examples of areas where aluminium helps people and the economy to operate effectively and efficiently include air, road, rail and sea transport; food and medicine; packaging; construction; electronics and electricity transmission.

AWAC SUSTAINABILITY APPROACH

MR G JOHN PIZZEY
B.E (Chem), Dip. Mgt. FTSE FAICD
INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHAIRMAN

MS EMMA STEIN
BSc (Physics) Hons, MBA, FAICD
INDEPENDENT NON-EXECUTIVE DIRECTOR

MR PETER A F HAY
LLB
INDEPENDENT NON-EXECUTIVE DIRECTOR (RETIRED 31 DECEMBER 2013)

MR PETER C WASOW
BCom, GradDipMgmt, FCPA
INDEPENDENT NON-EXECUTIVE DIRECTOR – CHIEF EXECUTIVE OFFICER (FROM 1 JANUARY 2014, REMAINED AS DIRECTOR)

BOARD OF DIRECTORS

Alumina Limited Directors in office as at 31 December 2013 were:

Mr Pizzey was elected a director of Alumina Limited on 8 June 2007. He is a Non-Executive Director of Orora Limited (appointed December 2013) and former Non-Executive Director and Chairman of Iluka Resources Ltd (appointed November 2005 resigned December 2013) and a former Non-Executive director of Amcor Limited (appointed September 2003 and resigned December 2013). Mr Pizzey is a life governor of Ivanhoe Grammar School and a former chairman and director of the London Metal Exchange. He is a member of the Audit, Nomination and Compensation Committees and was Chair of the Audit Committee to 30 November 2011. Mr Pizzey brings extensive knowledge gained in over 33 years as an executive in the alumina and aluminium industries.

Mr Hay was a Director of Alumina Limited since 11 December 2002 and resigned effective 31 December 2013. He is a Non-Executive Director of Australian and New Zealand Banking Group Limited (appointed November 2008), GUD Holdings Limited (May 2009), Myer Holdings Limited (February 2010), and former Chairman of the Advisory Board of Lazard in Australia (resigned October 2013). He is also a Director of Landcare Australia Limited, a former director of NBN Co Limited (resigned August 2012) and Epworth Foundation (retired October 2013). He is a former Chief Executive Officer of the law firm Freehills. He was a member of the Audit Committee, and Nomination Committee and Chair of the Compensation Committee. Mr Hay brought to the Board considerable legal experience and advisory skills particularly in relation to public company takeovers, corporate governance matters and risk management.

Ms Stein was elected as a director of Alumina Limited on 3 February 2011. Ms Stein is currently Non-Executive Director for Diversified Utilities Energy Trust (June 2004), Non-executive Director for Programmed Maintenance Group (June 2010), and Transpacific Industries Group Ltd (August 2011). She is a former Non-Executive Director of Transfield Services Infrastructure Fund (appointed October 2010 and resigned July 2011) and Non-executive Director of Clough Limited (appointed July 2008 and resigned December 2013). Formerly the UK Managing Director for French utility Gaz de France's energy retailing operations, Ms Stein moved to Australia in 2003. Before joining Gaz de France she was UK Divisional Managing Director for British Fuels.

Ms Stein is the Chair of Compensation Committee, Chair of the Audit Committee from 28 November 2013 to 31 December 2013, and Chair of the Nomination Committee since 3 March 2011.

She has considerable experience with industrial customers, international energy and utilities markets and investments in long life assets and projects.

Mr Wasow was appointed a director of Alumina Limited on 26 August 2011. He was appointed Managing Director and Chief Executive Officer effective from 1 January 2014. Prior to his appointment as CEO he was a member of the Nomination Committee, Compensation Committee and former member and Chair of the Audit Committee from 30 November 2011 until 27 November 2013. He is also a former Non-Executive Director of Murchison Metals Limited (appointed May 2011 and resigned February 2012). Mr Wasow served eight years at major Australian oil and gas producer Santos Limited from 2002 to 2010. Initially appointed as Chief Financial Officer, and later added the responsibilities of Executive Vice President from 2008.

MR CHEN ZENG
MIF
NON-EXECUTIVE DIRECTOR

MR JOHN BEVAN
BCom
MANAGING DIRECTOR – CHIEF EXECUTIVE OFFICER (RETIRED 31 DECEMBER 2013)

MR W PETER DAY
LLB (Hons), MBA, FCA, FCPA, FAICD
INDEPENDENT NON-EXECUTIVE DIRECTOR

MR MICHAEL P FERRARO
LLB(Hons)
INDEPENDENT NON-EXECUTIVE DIRECTOR

Prior to joining Santos in 2002, Mr Wasow held several senior roles over a 23-year career at BHP including Vice President of Finance.

Mr Wasow brings to the Board extensive financial skills and experience in the resource and energy industries.

Mr Zeng was appointed as a Director of the Company on 15 March 2013.

Mr Zeng is the Vice Chairman and CEO of CITIC Resources Holdings Limited (a Hong Kong Stock Exchange listed company) and the Executive Chairman of its wholly-owned subsidiary CITIC Resources Australia Pty Ltd. Those companies are majority-owned subsidiaries of CITIC Group Corporation. Mr Zeng is also a director of CITIC Dameng Holdings Limited and a former director of Marathon Resources Limited (resigned 31 January 2014). Mr Zeng was a director of Macarthur Coal Limited from 2007 to 2011.

Mr Zeng has been a full time executive with CITIC Group Corporation for over 25 years. He has spent the majority of that time living and working in Australia. Accordingly, Mr Zeng has considerable knowledge of the Chinese market and a deep understanding of doing business in Australia.

Mr Bevan was appointed as Managing Director and Chief Executive Officer on 16 June 2008 and retired effective 31 December 2013. He is currently a Non-executive director of Ansell Limited (appointed August 2012). Prior to commencing at Alumina Limited, Mr Bevan most recently held the position of chief executive of Process Gas Solutions at BOC Group Plc and was elected to the Board of Directors. He had a long career with the BOC Group Plc including a variety of management roles in Australia, Korea, Thailand and the UK before becoming chief executive of Asia in 2000. He was a director of BOC Plc in London from 2003–2007.

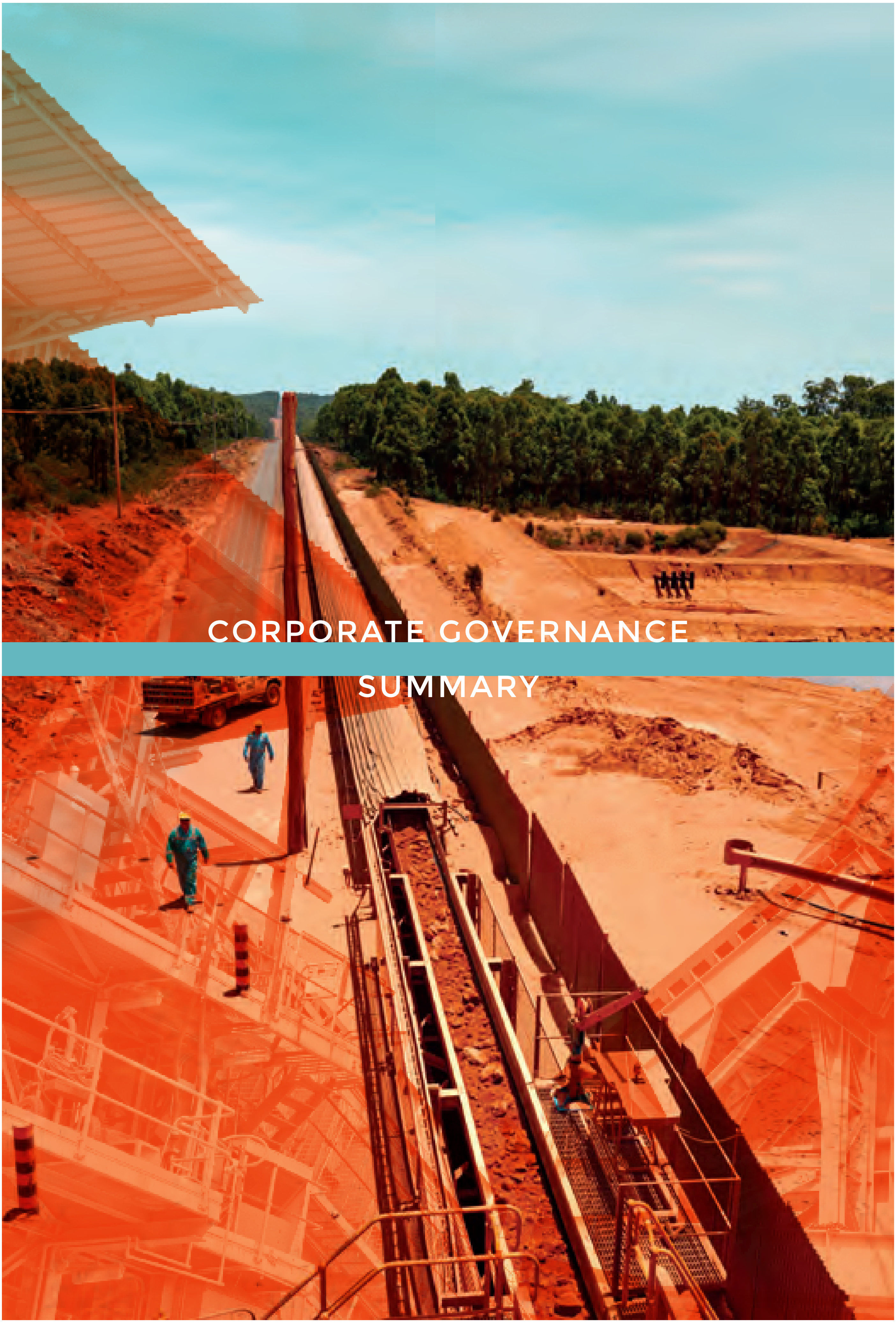
Directors of the Company appointed since 31 December 2013 and in office as at the date of this report were:

Mr Day was appointed as a Director of the Company on 1 January 2014. He is a member of the Nomination and Compensation Committees and is Chair of the Audit Committee. Mr Day is also currently a Non-Executive Director of Ansell Limited (August 2007), SAI Global Limited (August 2008), Boart Longyear Limited (February 2014), and a former director of Federation Centres (October 2007 – February 2014) and Orbital Corporation Limited (August 2007 – February 2014).

Mr Day brings extensive experience in the resource, finance and manufacturing sectors, having held a number of senior positions with Bonlac Foods, Rio Tinto, CRA, Comalco and the Australian Securities and Investment Commission. He is a former Chief Financial Officer of Amcor Limited.

Mr Ferraro was appointed a Non-Executive Director of the Company on 5 February 2014. He is currently joint head of the Corporate Group at Herbert Smith Freehills, a global law firm. He is also a member of their executive management team. Between 2008 and 2010, Mr Ferraro was previously Chief Legal Counsel at BHP Billiton Ltd.

Mr Ferraro has considerable experience in the resources sector and has 30 years of experience in joint ventures, mergers and acquisitions, fund raising, and regulatory issues across a wide range of sectors and countries. He also has considerable experience in the commercial and financing aspects of large transactions gained from four and half years in investment banking as a corporate adviser.



CORPORATE GOVERNANCE SUMMARY

The Corporate Governance Summary is a précised version of the Corporate Governance Statement that appears in the 2013 Annual Report. The Summary provides an overview of Alumina Limited's corporate governance framework, policies and practices.

To acquire a greater understanding of Alumina Limited's corporate governance management, we recommend that you review the Corporate Governance Statement in the 2013 Annual Report that is available on the Company web site.

The governance framework, approved by the Board of Directors and administered by management, is designed to stimulate a sustainable business that protects and supports long-term shareholder value.

APPROACH TO CORPORATE GOVERNANCE

Alumina Limited's approach to corporate governance is based on:

- adopting ethical values and principles that define and drive the Company's business thinking and practices
- analysing and implementing best practice governance principles and practices
- prudent delegation of responsibilities
- appropriate systems, processes, authorities, delegation of responsibilities and internal controls.

GOVERNANCE FRAMEWORK

GOVERNANCE GUIDELINES

VALUES AND CODE OF CONDUCT

BOARD AND COMMITTEE CHARTERS

GOVERNANCE OVERSIGHT

BOARD OF DIRECTORS

Audit committee	Nomination committee	Compensation committee
Responsibilities • Financial management & reporting • Internal controls • Risk management framework • Audit strategy & performance	Responsibilities • Select and appoint Directors and CEO • Identify necessary Board & committee competencies • Assess director skills & competency	Responsibilities • Oversight of remuneration, compensation plans, policies & practice

DELEGATION AND CONTROLS

DELEGATED AUTHORITIES

CORPORATE GOVERNANCE AND INTERNAL CONTROLS

CHIEF EXECUTIVE OFFICER

Senior Management – Management Committee

ETHICAL & ACCOUNTABLE WORK PRACTICES

SHAREHOLDER VALUE

GOVERNANCE OVERSIGHT

Role of the Board of Directors and delegation of authority

The principal role of Alumina Limited's Board of Directors is protecting and furthering the interests of shareholders by overseeing the strategic direction of the Company. The Board is guided by its Charter that establishes the scope of duties, responsibilities and authority of the Board of Directors.

The Board fulfils its mandate via:

- appointing the Chief Executive Officer (CEO)
- monitoring the performance of the CEO and senior executives
- formulating Alumina Limited's strategic direction and monitoring its execution
- monitoring and optimising business performance
- approving Alumina Limited's external financial reporting.

The Board Charter and Company Policies define the scope of authority delegated to senior management for managing the day-to-day affairs of the Company. The Charter expressly states matters that cannot be delegated by the Board or its committees. Alumina Limited has also established a Group Authorities Schedule that provides greater clarity about the level and scope of management's delegated authority from the Board. The Group Authorities Schedule is reviewed on an annual basis to ensure that delegations are appropriate and that control systems are effective.

In 2013 our Senior Management team consisted of John Bevan, CEO; Chris Thiris, Chief Financial Officer ("CFO"); Stephen Foster, General Counsel/Company Secretary and Andrew Wood, Group Executive Strategy & Development.

A copy of Alumina Limited's Board Charter is included in full in the Governance section of our website at *www.aluminalimited.com/charter-of-the-board/*

BOARD AND COMMITTEE MEMBERSHIP

For the majority of 2013, the Board of Alumina Limited consisted of five non-executive directors and an Executive Director – the then CEO, Mr John Bevan. Board members at the date of this report and their participation on Board committees are:

DIRECTOR	BOARD STATUS	DATE OF APPOINTMENT	AUDIT COMMITTEE	NOMINATION COMMITTEE	COMPENSATION COMMITTEE
Mr John Pizzey	Chairman, Independent Non-executive Director	8 June 2007	Member	Member	Member
Ms Emma Stein	Independent Non-executive Director	3 February 2011	Member	Member and Chair	Member and Chair
Mr Peter Wasow	Executive Director (CEO)	26 August 2011	Not applicable	Not applicable	Not applicable
Mr Chen Zeng	Non-executive Director	15 March 2013	Non-member	Member	Member
Mr Peter Day	Independent Non-executive Director	1 January 2014	Member Chair	Member	Member
Mr Michael Ferraro	Independent Non-executive Director	5 February 2014	Member	Member	Member

BOARD COMMITTEES

Three primary Board committees have been established to assist the Board in the oversight of the Company: Audit Committee, Nomination Committee and Compensation Committee. The scope and responsibilities of each committee are governed by a specific Charter. Each committee is comprised solely of the Board's Non-executive Directors. During 2013, and in accordance with Company Policy, the Chairman of the Board, Mr Pizzey, did not chair any of the Board committees.

The Committee Charters describing the scope and responsibility of each committee are available for review on our website at *www.aluminalimited.com/committee-charters/*

BOARD MEETINGS

The Board scheduled 11 formal meetings in 2013, one of which was reserved to review the Company's strategic plan. It was necessary to convene two additional meetings to address specific business matters.

Scheduled Board meetings typically involve:

- approving previous minutes and considering outstanding items arising from minutes
- a review of the CEO's Business Performance Report
- reports on finance and treasury matters
- reports on capital works projects and special projects
- review of industry and global market trends and analysis
- deliberation on internal policy and procedure matters
- review of risk management framework
- reports from Committee Chairs
- consideration of business and governance matters.

Board meetings are generally attended by the senior executive team of the CFO, General Counsel/Company Secretary and Group Executive of Strategy and Development. Other senior managers and expert consultants participate in meetings as required.

Non-executive Directors conduct meetings from time to time without the presence of executives. The Chairman of the Board presides over these meetings. To enable interested parties to make any concern known to Non-executive Directors, the General Counsel/Company Secretary, Mr Foster, acts as an agent for the Non-executive Directors. Procedures for handling all direct communications for Non-executive Directors are detailed on the Company's website.

BOARD AND COMMITTEES PERFORMANCE MEASUREMENT

In 2013 the Board and each of its committees conducted a self-assessment of outcomes versus key performance criteria that are described in the relevant Charters. The assessment was conducted in accordance with the processes disclosed in the relevant Charters. Mr John Pizzey, Chairman of the Board, discussed with Directors the performance of the Board and its committees in regards to relevant business, management and governance matters. Initiatives to improve performance were discussed and approved.

The Directors and Committee members concluded that the Board and its committees conducted their duties in accordance with their relevant Charters and key performance criteria.

DIRECTOR SKILLS AND EXPERIENCE

The Board seeks a complementary diversity of skills and experience across its members, recognising the complex and varied issues facing a minority partner and its interest in a large scale, global and capital intensive business. A multi-faceted approach to the composition of the Board ensures wide ranging and thoughtful analysis and decision making. The Nomination Committee is responsible for assessing the appropriateness of experience and mix of skills of existing and prospective Directors. The Nomination Committee uses a Skills Matrix to assess whether the appropriate mix of skills and experience exists among the Board and committee members and to identify key attributes required for future candidates.

The Nomination Committee established several key requirements for Board members and determined that the Directors have the necessary skills and experience.

Key requirements are:

- established management and leadership skills
- international experience
- industry knowledge and experience
- high level of governance experience
- proven record of developing and implementing successful strategy
- financial expertise
- capital projects experience
- joint venture experience.

DIVERSITY

Alumina Limited is committed to cultivating a workplace that has an emphasis on diversity. A Diversity Policy has been established that presents key undertakings and standards that promote, among other things, impartiality in recruiting from a wide talent base, that provide opportunities for employees to develop skills and broaden their perspectives and that reflect the Company's corporate values of tolerance and fairness. We believe that fostering principles of diversity among our Board members and employees positively contributes to the success of the Company.

Our Diversity Policy applies to all Alumina Limited employees, including contractors and consultants acting on the Company's behalf, and includes the recruitment and selection process, terms and conditions of employment including pay, promotion, work assignment, and training as well as any other aspect of employment. Details of the policy are set out under the policies section of the Company's website at *www.aluminalimited.com/diversity-policy/*

CHIEF EXECUTIVE OFFICER

The CEO is responsible for the day-to-day management of the Company and operates under delegated authority from the Board. The CEO's responsibilities include:

- recommending strategic initiatives to the Board and, where approved, ensuring their implementation
- managing the day-to-day operation of the Company according to the Values and Code of Conduct
- preparing and presenting the Company's business plans
- appointing and reviewing the performance of senior management.

CORPORATE REPORTING AND RISK MANAGEMENT

The CEO and the CFO have made the following certifications to the Board:

1. In their opinion:

- Alumina Limited's financial records for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*
- the financial statements and the notes comply with the accounting standards
- the financial statements and the notes give a true and fair view, in accordance with section 297 of the *Corporations Act 2001*
- the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2. The above certification is founded on a sound system of risk management and internal control and that system is operating effectively in all material respects in relation to financial reporting risks.

AUDIT GOVERNANCE

External audit

PricewaterhouseCoopers is Alumina Limited's external audit services provider and reports to the Audit Committee. The Audit Committee has responsibility for managing the relationship with the external auditor including their appointment, compensation and agreeing on the scope and monitoring the performance and effectiveness of the annual internal and external audit plans and approval of non-audit related work. The Committee also reviews, at least annually, the assessment of the Company's exposure to business risks and the strategies in place for managing key risks, and determines whether there is appropriate coverage in the internal audit plans.

All reports issued by the auditor to the Committee are prepared in accordance with Australian Accounting Standards. In accordance with the applicable provisions of the *Corporations Act 2001*, the external auditor provides an annual declaration of its independence to the Audit Committee. Alumina Limited's External Auditor Selection and Rotation Policy requires that the lead Partner involved in the external audit of the Company should not remain beyond five years.

Further information on the relationship with the external auditor is covered in the Audit Committee Charter, which is available on the Company's website at *www.aluminalimited.com/audit-committee-charter/.*

MANAGING BUSINESS RISK

Alumina Limited's Risk Management Policy sets out the policies and procedures for covering risks such as those relating to markets, credit, price, operating, safety, health, environment, financial reporting and internal control. The Board has adopted the Risk Management Policy. Alumina Limited is exposed to risks, both indirectly through its investment in AWAC, and directly as a separately listed public company.

Alcoa, as manager of AWAC, has direct responsibility for managing the risks associated with the AWAC business. Alcoa utilises its policies and management systems to identify, manage and mitigate those risks. Alumina Limited reviews the management and mitigation of AWAC risks through participation on the AWAC Strategic Council and the Boards of the key operating entities within AWAC.

Alumina Limited uses internal controls as well as risk management policies that are appropriate to our risks as an independent corporate entity. We have developed a Risk Management Framework that profiles a range of material business risks, both financial and non-financial in nature, which are potentially significant for the current operation and profitability and/or long-term value of the Company. Each material business risk identified has an explicit risk strategy and system of internal controls.

Alumina Limited's most significant commercial risk exposures are to alumina and aluminium prices, financing risks, foreign exchange risk, energy security risk, joint venture structure risks, political and regulatory risks and capital project risk.

Management has provided a report to the Alumina Limited Board on the effectiveness of Alumina Limited's management of material business risks. Included is an assurance from the CEO and CFO that the declaration provided in accordance with section 295A of the *Corporations Act 2001* is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Our Risk Management Policy and controls are covered in more detail in the Governance section of our website at *www.aluminalimited.com/risk-management/.*

COMPLIANCE WITH CORPORATE GOVERNANCE CODES

Alumina Limited is a listed company on the Australian Securities Exchange ("ASX"). Alumina Limited meets each of the requirements of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2010 Amendments (2nd Edition).

DELISTING FROM THE NEW YORK STOCK EXCHANGE (NYSE)

The Board considered the benefits of remaining listed on the NYSE and concluded that the administrative costs and complexity associated with the NYSE listing appear disproportionate to the benefits derived. Shares held via ADRs represent 2.5 per cent of the issued capital of the Company and approximately 94 per cent of worldwide share trading volume occurs on Alumina Limited's primary market (ASX). The Board decided on 5 February 2014 to delist the Company from the NYSE. Alumina's ADRs will continue to be traded on the over-the-counter (OTC) market in the USA. Alumina remains committed to its US investor base and will retain high standards of corporate governance required under the ASX and continue to provide comprehensive and transparent financial reporting.

Alumina Limited Senior Management in office as at 31 December 2013

JOHN BEVAN

CHRIS THIRIS

STEPHEN FOSTER

ANDREW WOOD

PETER WASOW

SENIOR MANAGEMENT

JOHN BEVAN

BCom

Chief Executive Officer

John Bevan was appointed as Executive Director and Chief Executive Officer on 16 June 2008 and retired effective 31 December 2013. He is currently a Non-executive director of Ansell Limited (appointed August 2012). Prior to commencing at Alumina Limited, Mr Bevan most recently held the position of chief executive of Process Gas Solutions at BOC Group Plc and was elected to the Board of Directors. He had a long career with the BOC Group Plc including a variety of management roles in Australia, Korea, Thailand and the UK before becoming chief executive of Asia in 2000. He was a director of BOC Plc in London from 2003–2007.

CHRIS THIRIS

BA (Acc) MBA

Chief Financial Officer

Chris Thiris joined Alumina Limited in September 2011 as Interim Chief Financial Officer and became Chief Financial Officer in December 2011. He is responsible for accounting, treasury, investor relations and taxation. Mr Thiris has extensive experience in finance and other management functions gained through senior roles he has held in Orchard Funds Limited and Coles Group Limited.

STEPHEN FOSTER

BCom LLB(Hons) GDipAppFin (Sec Inst) GradDip CSP ACIS

General Counsel / Company Secretary

Stephen Foster is responsible for legal, company secretarial, shareholder services, insurance and human resources. He has a wide range of legal and commercial experience gained over 25 years, at Village Roadshow and WMC Limited after working with the legal firm of Arthur Robinson & Hedderwicks (now Allens).

ANDREW WOOD

BA LLB GDipAppCorpGov (GIA)

Group Executive Strategy & Development

Andrew Wood is responsible for strategy and business development, including market analysis, pursuing strategic investments and developing industry relationships. He has over 20 years' resources' experience in commercial and legal roles, mainly at WMC Resources Ltd and Sibelco.

Commencing 1 January 2014

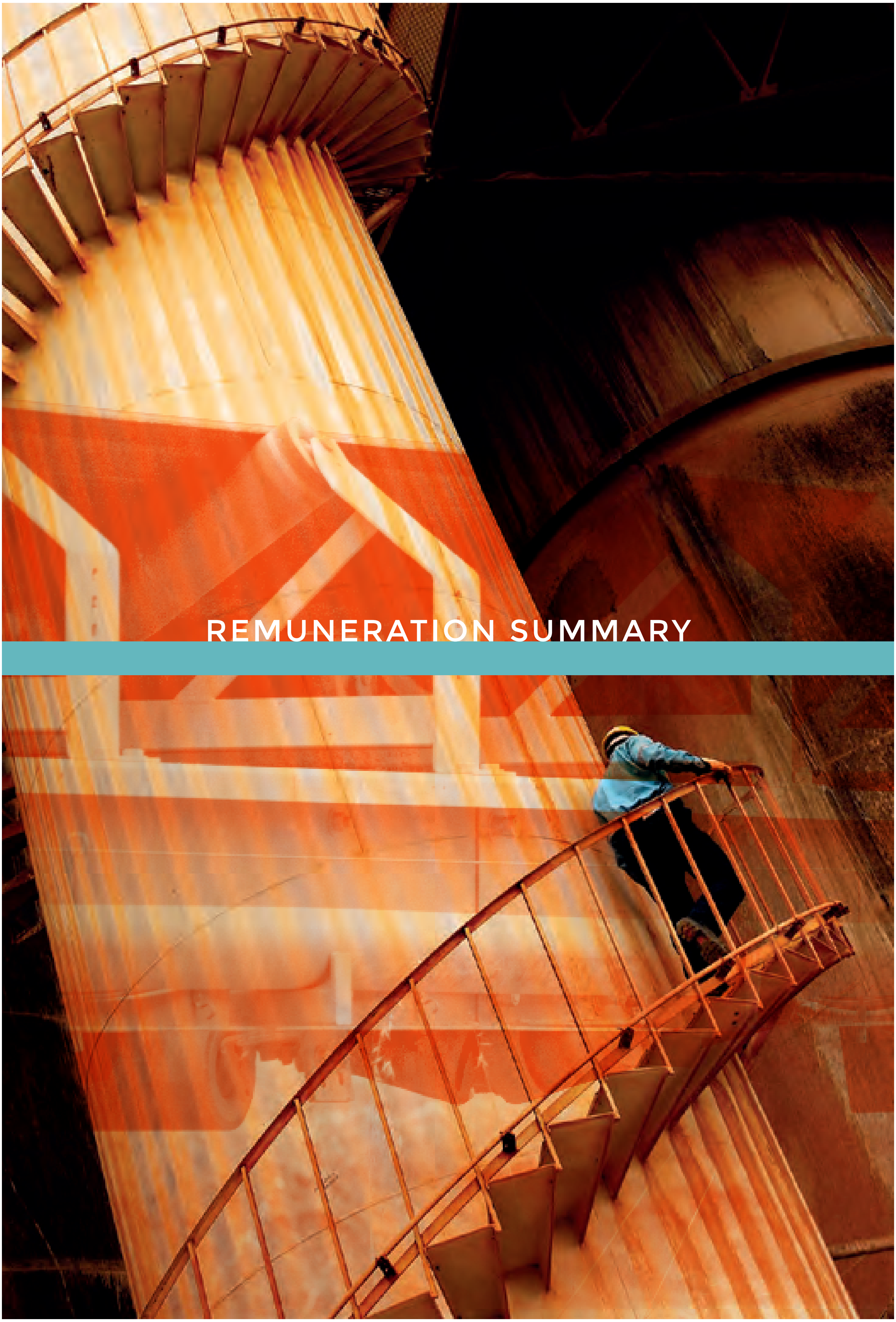
PETER WASOW

BCom, GradDipMgmt, FCPA

Chief Executive Officer (elect)

Peter Wasow was appointed Chief Executive Officer from 1 January 2014 following the retirement of Mr John Bevan who served in that capacity from June 2008 to 31 December 2013. Mr Wasow has responsibility for the overall management of Alumina Limited in accordance with the strategy, policies and business processes adopted by the Board. Prior to his appointment as CEO, Mr Wasow was an independent Non-Executive Director of the Company from 26 August 2011. Mr Wasow has extensive finance and commercial knowledge and experience gained during 8 years at major Australian oil and gas producer Santos Limited from 2002 to 2010. Initially appointed Chief Financial Officer, he assumed the additional role of Executive Vice President from 2008. Prior to joining Santos, Mr Wasow held several senior roles over a 23 year career at BHP including Vice President of Finance.

REMUNERATION SUMMARY



This Remuneration Summary is designed to provide an abridged commentary on the 2013 remuneration structure, practices and outcomes for Alumina Limited. It also addresses, at a high level, the Company's response to remuneration issues raised at the 2013 Annual General Meeting that resulted in changes to remuneration structure for 2014.

To obtain a comprehensive understanding of Alumina Limited's remuneration policies and practices we recommend that you review the 2013 Remuneration Report found in the 2013 Annual Report that is available on the Company website *www.aluminalimited.com/*

PERSONS COVERED BY THIS SUMMARY

This report covers remuneration arrangements and outcomes for the following Key Management Personnel (KMP) of Alumina Limited:

NON-EXECUTIVE DIRECTORS	SENIOR EXECUTIVES
Mr John Pizzey	Mr John Bevan Managing Director and Chief Executive Officer
Mr Peter Hay	Mr Chris Thiris Chief Financial Officer
Ms Emma Stein	Mr Stephen Foster General Counsel/Company Secretary
Mr Peter Wasow	Mr Andrew Wood Group Executive Strategy & Development
Mr Chen Zeng	

The following Non-Executive directors were appointed after 31 December 2013 and therefore their remuneration details are not included in this report.

- Mr Peter Day – Non-Executive Director and Chair of the Audit Committee since 1 January 2014
- Mr Michael Ferraro – Non-Executive Director since 5 February 2014.

Mr Bevan retired on 31 December, 2013 as Chief Executive Officer and Mr Peter Wasow was appointed as CEO on 1 January, 2014.

OVERVIEW OF REMUNERATION STRATEGY AND POLICY

Philosophy

The operation of Alumina Limited as a non-operating partner in AWAC requires only a small senior executive team. Team members need strong business skills, acumen and experience to deal with complex business, industry and market matters relevant to the AWAC enterprise, the world's largest alumina business. They are required to act on matters that affect the interests of AWAC yet also have the underlying responsibility to protect the interests of and grow value for Alumina Limited's stakeholders.

Therefore the Company's remuneration strategy is directed at securing, retaining and motivating, a highly skilled and experienced executive team and Board of Directors equipped to meet the challenges of 1) protecting and enhancing the Company's and it shareholders' interests in AWAC, 2) contributing to the strategy, decision making and capital deployment of AWAC, 3) ensuring Alumina has balance sheet strength to withstand industry cycles and periods of minimal cash flow from its sole investment.

Senior Executives

Under the remuneration strategy, executive remuneration packages are structured to:

- appropriately reflect the person's role and responsibility,
- reflect the skills and experience required of the executive,
- clearly link reward to performance based on a mix of definitive and measurable corporate and personal objectives,
- align executive and shareholder interests
- be competitive with peer companies competing for executive talent.

The Chief Executive Officer, other senior executives and professional employees all share the same remuneration structure, comprising fixed remuneration and "at risk", short-term and long-term incentive components. Also considered in the remuneration structure, is the balance between reward payments made in cash and deferred equity. The following table indicates the structure of senior executive remuneration and the manner in which their remuneration is paid for 2013.

FIXED

FIXED ANNUAL REMUNERATION (FAR)[1]
including superannuation

↓

VARIABLE (AT RISK)

SHORT-TERM INCENTIVE (STI)	LONG-TERM INCENTIVE (LTI)
50% of reward based on meeting corporate objectives 50% of reward based on meeting individual objectives	Reward based on Company Total Shareholder Return tested over a three year performance period against (1) ASX Comparator Group and (2) Comparator Group of alumina and aluminium companies
↓	↓
50% of total applicable STI paid in cash and, 50% in shares (that must be held for 3 years)[2]	Performance Rights that vest proportionately to ordinary shares based on the extent that the performance criteria are met. Two potential retests apply at six and 12 months after the three year test period.[3]

[1] For 2014 annual share grant is applicable for the CEO.
[2] From 2014 holding 50% of STI reward in shares is not applicable to the CEO
[3] Retesting only applies to Performance Rights granted prior to 2014. For 2014 grants and onwards, retesting has been eliminated.

A snapshot of senior executive remuneration is included on page 24 of this review

A summary of senior executive remuneration for 2013 is included on page 26 of this review.

Non-Executive Directors

The aim of the remuneration strategy in relation to Non-Executive Directors is to attract directors with appropriate skills and experience to ensure a high level of contribution and support for the Company's activities.

Non-Executive Directors' fees are reviewed annually and are determined based on comparative analysis and advice from remuneration consultants, and take into account the Directors' responsibilities and time spent on Company business.

Non-Executive Directors receive a base fee for participating on the Board. In addition Non-Executive Directors receive an aggregate total for membership on Board Committees and a fixed fee if they chair a Board Committee. They are not eligible to receive performance based awards nor do they receive retirement benefits or participate in the Company's Employee Share Plan. Non-Executive Directors do receive statutory superannuation guarantee payments.

A summary of Non-Executive Director remuneration for 2013 is included on page 25 of this review.

RESPONSE TO VOTE AGAINST 2012 REMUNERATION REPORT

At the Company's 2013 AGM, the vote not to adopt the Company's 2012 Remuneration Report was in excess of 25 per cent of the votes cast. In accordance with the provisions of the *Corporations Act 2001*, this resulted in Alumina Limited recording a "first strike".

The Board has taken account of shareholders' feedback received at the 2013 AGM and has provided the following responses to concerns raised:

ISSUES EXPRESSED	RESPONSE
Awarding short term awards when shareholders received no short term benefit	The Board assesses the extent to which objectives have been met or progressed over the period. In doing so the Board take into account the financial performance of the company. No STI award is applicable for corporate objectives if no profit is recorded and no dividend declared. Hence, no payments for corporate objectives were made in 2012 and 2013.
Lack of transparency in relation to the STI individual personal objectives	The Remuneration Report has been revised to include greater clarity of STI personal and corporate objectives
Not possible to judge the performance against individual personal objectives	Performance criteria for STI personal objectives has been included in the 2013 Remuneration Report
Why are STI awards paid in cash and subsequently 50% used to acquire equity in the Company?	Historical and contractual structures dictate that STI awards are paid in cash. The CEO's contract stipulated that 50% of any after tax STI award had to be applied to purchasing shares in the Company
Were the shares acquired under the STI plan purchased on a pre or post tax basis?	Shares purchased under the STI provisions are acquired after tax has been applied.

Other remuneration matters raised outside of the AGM in relation to the 2012 Remuneration Report are addressed in the Remuneration Report in the 2013 Annual Report that is available for viewing or downloading on the Company website.

We believe that amendments made to the Company's remuneration practices are a positive response to concerns expressed over the 2012 Remuneration Report and have been introduced to underpin alignment of executive remuneration with the experience of shareholders.

Also changes to the CEO's remuneration structure for 2014 have resulted in a significant impact on potential awards for the future. The following table indicates the quantum impact of the changes.

BENCHMARKING

The senior executive remuneration structure has been benchmarked against two comparator groups based on financial size.

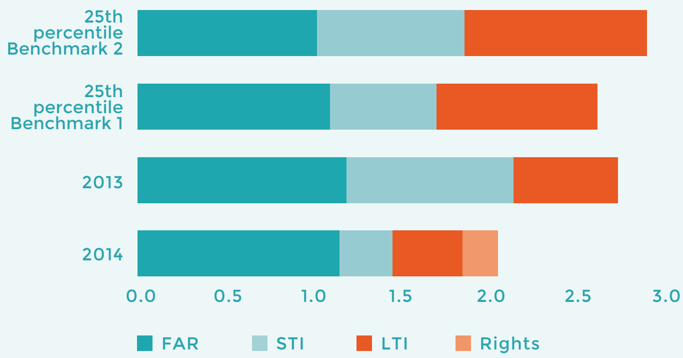
Benchmark 1 – CEO remuneration of ASX 76–100 Companies based on market capitalisation.

Benchmark 2 – CEO remuneration of ASX 100 companies with a market capitalisation of more than 50% to less than 200% of Alumina Limited's average 12 month capitalisation, excluding financial sector companies.

The benchmark analysis for the CEO role in 2013 and 2014 are set out in the following chart:

For 2014 and onwards, a fourth element of conditional share rights has been added to the CEO package that further aligns CEO remuneration to changes in shareholder value.

CEO AT TARGET REMUNERATION (A$ MILLION)



Snapshot of the senior executive remuneration structure

Key elements of Alumina Limited's remuneration structure for 2013 including relevant changes effective from 2014 are outlined in the following table: Further detail in relation to each remuneration element is provided in subsequent sections.

ELEMENT	POLICY	SHAREHOLDER INTERESTS
Fixed remuneration – 'fixed annual remuneration' ("FAR")	• Fixed remuneration and superannuation contributions as specified in an executive's contract of employment • Reviewed annually against the market • Superannuation contributions funded at Superannuation Guarantee Contributions rate • Chief Executive Officer FAR reviewed and determined by the Compensation Committee • Other senior executives FARs reviewed and recommended by the Chief Executive Officer and approved by Compensation Committee	Market positioned
Other conditional remuneration	• Commencing 1 January 2014, the Chief Executive Officer will receive an annual conditional grant of share rights in Alumina Limited to the value of $200,000	• Part of CEO remuneration linked to changes in shareholder value

Variable – Short-term Incentive ("STI")	• Included in contracts for executive and professional employees
	• A Balanced Scorecard approach to "at risk" remuneration is adopted. The Scorecard of management objectives is developed from the Company's and AWAC's strategic and operational objectives. The Scorecard is divided into two performance based elements:
	  • 1) corporate performance objectives (50% of STI)
	  • 2) performance against individual objectives (50% of STI)
	• The achievement of objectives results in payment of STI at target levels. Maximum STI is paid in circumstances where objectives are significantly exceeded
	• The Board approaches the assessment of Company and individual performance having consideration of a range of factors that impact final outcomes.
	• Policies defining variable incentives are established by the Compensation Committee and reviewed annually
	• Chief Executive Officer – STI up to 100% of FAR (applicable to Mr Bevan). For Mr Wasow the arrangement is a short-term incentive of $400,000 per annum maximum (representing approximately 35% of FAR) and $300,000 at target (representing approximately 26% of FAR and 75% of maximum).
	• Other senior executives – STI up to 70% of FAR in the case of Mr Thiris and Mr Foster and up to 50% of FAR in the case of Mr Wood
	• 50% of any after-tax STI award must be applied by Mr Thiris and Mr Foster towards the purchase of Company shares which must be held for a minimum of at least three years
		• Incentive to achieve high Company and individual performance
		• Objectives align with shareholder interests
		• Retained shares reinforce alignment with shareholders

Variable – Long-term Incentive ("LTI")	• Potential offer (at the Board's discretion) of a conditional entitlement under the Alumina Limited Employee Share Plan (ESP) to fully paid ordinary shares in the Company (Performance Rights), with the shares being purchased on market • Vesting dependent on results of performance testing • Performance Right testing period of three years • Testing independently conducted in accordance with a standard methodology • For Performance Rights issued in and after 2014, the Board on the recommendation of the Compensation Committee has determined that retesting will not apply • LTI component represents a maximum of 50% of FAR for the Chief Executive Officer (applicable to Mr Bevan), 40% for Mr Thiris and Mr Foster and 20% for Mr Wood. For Mr Wasow, the LTI component may provide Performance Rights to receive up to $400,000 in Alumina shares (as valued at grant date) • From 2014 and onwards, the CEO's LTI component will be a Performance Right entitlement limited to a maximum benefit of up to $400,000 equivalent in Alumina Limited shares (valued at grant date) (approximately 35% of FAR)	• Clear, comparative measure that most directly aligns with returns to shareholders • Linked to long-term business strategy • Promotes retention of staff

REMUNERATION OUTCOMES FOR 2013 AND 2012

Remuneration Overview – Non-Executive Directors

		SHORT-TERM BENEFITS		POST EMPLOYMENT		
		Fees – Cash[1]	Non-monetary benefits	Superannuation Guarantee[2]	Retirement Benefit accrued[3]	Total Remuneration
John Pizzey	**2013**	**359,347**	**–**	**17,122**	**n/a**	**376,469**
	2012	360,000	–	16,123	n/a	376,123
Peter Hay	**2013**	**169,806**	**–**	**15,492**	**n/a**	**185,298**
	2012	170,000	–	15,300	n/a	185,300
Emma Stein	**2013**	**169,806**	**–**	**15,492**	**n/a**	**185,298**
	2012	170,000	–	15,300	n/a	185,300
Peter Wasow	**2013**	**174,800**	**–**	**15,947**	**n/a**	**190,747**
	2012	175,000	–	15,750	n/a	190,750
Chen Zeng	**2013**	**126,484**	**–**	**11,580**	**n/a**	**138,064**

[1] In 2013 Non-Executive Directors (excluding the Chairman) received a base fee of $140,000 for fulfilling their duty as directors. The Chairman received a base fee of $360,000. Non-Executive fee have remained unchanged from the fee level set in 2011. In addition to the base fee, each Non-Executive Director receives Committee fees of; and aggregate total amount of $10,000 per annum for membership of Board Committees and an additional $10,000 per annum for chairing Board Committees and $15,000 for chairing the Audit Committee.

[2] In addition to their fees Non-Executive Directors receive a Superannuation Guarantee Contribution (SCG) of 9 per cent (that was adjusted to 9.25 per cent in July 2013) of their fees to a maximum of $17,133.

[3] Non-Executive Directors do not receive any other retirement benefits.

Retirement of Chief Executive Officer – John Bevan

Mr Bevan retired as Chief Executive Officer and Executive director effective 31 December 2013, with his employment with Alumina Limited ceasing on 31 January 2014.

While Mr Bevan had indicated to the Company that he intended to retire around this time, the Company and Mr Bevan were concerned that he remain in the role until the resolution of significant issues facing the Company. As a result, he did not give notice under his contract until those issues were concluded satisfactorily in late 2013.

The succession plan was put in place and Peter Wasow, as a Non-Executive Director, was able to take up the CEO position without the need to give notice under an existing employment arrangement.

Given succession to a new CEO could occur relatively quickly, it was agreed that Mr Bevan would formally retire at the end of December 2013, rather than serve the full 12 month notice period. The new Chief Executive Officer, Peter Wasow commenced in his position on 1 January 2014. Despite this, and as announced in November 2013, Mr Bevan continued to work with the new CEO and the Chairman to ensure a smooth transition during 2014.

This contractual requirement resulted in a termination payment to Mr Bevan of $1,748,664 for the 2013 year as disclosed in a footnote to the table below:

Chief Executive Officer

		SHORT-TERM BENEFITS			POST EMPLOYMENT			
		Fees – Cash[1]	Short-term incentive[2]	Non-monetary benefits[3]	Super-annuation Guarantee[4]	Termination Pay[5]	LTI Performance[6] Rights	Total Remuneration
John Bevan	**2013**	**1,172,778**	**286,000**	**46,257**	**17,122**	**1,748,664**	**444,795**	**3,715,616**
	2012	1,130,677	573,400	60,848	16,123	n/a	423,149	2,204,197

[1] Fees Cash represents Fixed Remuneration that is the total cost of salary, exclusive of superannuation.
[2] Short-term incentive reflects the cash value paid for the years ended 31 December 2012 and 31 December 2013.
[3] Non-monetary benefits comprise accrued annual leave and long service leave leave.
[4] Superannuation contributions reflect the Superannuation Guarantee Contribution payment.
[5] Termination benefit relates to the retirement benefit paid to Mr Bevan. Mr Bevan gave 12 months' notice of his resignation as CEO on 27 November 2013. Mr Peter Wasow commenced as CEO of the Company on 1 January 2014. Mr Wasow was able to start as CEO relatively quickly upon Mr Bevan's resignation, thereby reducing the period of service required from Mr Bevan in relation to the 12 months' notice period. The Company made a payment in lieu of notice for nine months and 27 days under Mr Bevan's contract and accordingly his employment with Alumina Limited ceased on 31 January 2014. This payment in lieu of notice was made in February 2014 with respect to the fixed annual reward and STI payment at target performance. In 2014 Mr Bevan was also paid entitlements of unused annual leave of $92,000. Mr Bevan's employment contract was entered into in April 2008, prior to the introduction of the Terminations Benefit Legislation and the limits placed on that legislation did not apply to Mr Bevan's cessation of employment.
[6] In accordance with AASB2, the value attributed to Performance Rights represents the amortisation for the reporting period of the value at grant date of all previously granted Performance Rights that have neither vested nor lapsed. The value at grant date is amortised over a three year period.

Other Senior Executives

		SHORT-TERM BENEFITS			POST EMPLOYMENT			
		Fees – Cash[1]	Short-term incentive[2]	Non-monetary benefits[3]	Super-annuation Guarantee[4]	Termination Pay[5]	LTI Performance[6] Rights	Total Remuneration
Chris Thiris	**2013**	**631,378**	**145,000**	**45,179**	**17,122**	**n/a**	**85,021**	**923,700**
	2012	608,877	175,000	57,013	16,123	n/a	–	857,013
Stephen Foster	**2013**	**467,278**	**108,000**	**7,837**	**17,122**	**n/a**	**157,851**	**758,088**
	2012	450,677	163,400	31,020	16,123	n/a	139,241	800,461
Andrew Wood	**2013**	**324,678**	**60,000**	**28,201**	**17,122**	**n/a**	**54,345**	**484,346**

[1] Fees Cash represents Fixed Remuneration that is the total cost of salary, exclusive of superannuation.
[2] Short-term incentive reflects the cash value paid for the years ended 31 December 2012 and 31 December 2013.
[3] Non-monetary benefits comprise accrued annual leave and long service leave.
[4] Superannuation contributions reflect the Superannuation Guarantee Contribution payment.
[5] In accordance with AASB2, the value attributed to Performance Rights represents the amortisation for the reporting period of the value at grant date of all previously granted Performance Rights that have neither vested nor lapsed. The value at grant date is amortised over a three year period.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2013

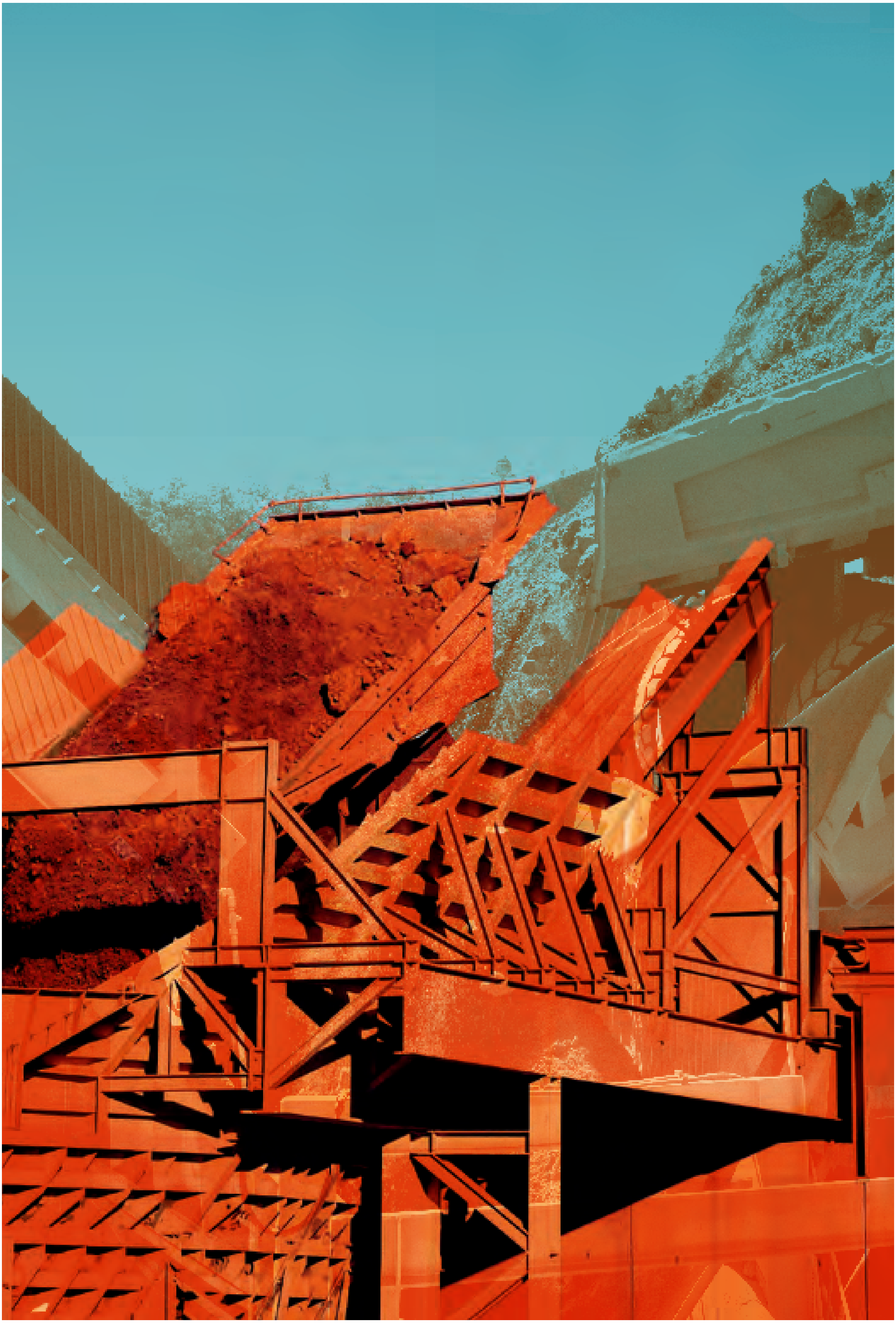
	31 DEC 2013 US$ MILLION	31 DEC 2012 US$ MILLION
Current Assets		
Cash and cash equivalents	24.0	10.1
Receivables	0.1	0.1
Other assets	23.7	4.9
Total current assets	**47.8**	**15.1**
Non-current Assets		
Investments in associates	2,798.9	3,296.1
Property, plant and equipment	0.2	0.2
Other assets	117.1	–
Total non-current assets	**2,916.2**	**3,296.3**
Total assets	**2,964.0**	**3,311.4**
Current Liabilities		
Payables	3.9	2.7
Interest bearing liabilities	50.6	52.0
Derivative financial instruments	6.4	4.6
Provisions	0.3	0.3
Other	0.2	0.2
Total current liabilities	**61.4**	**59.8**
Non-current Liabilities		
Interest bearing liabilities	108.6	622.5
Provisions	0.6	0.6
Total non-current liabilities	**109.2**	**623.1**
Total liabilities	**170.6**	**682.9**
Net assets	**2,793.4**	**2,628.5**
Equity		
Contributed equity	2,620.0	2,154.1
Treasury shares	(1.3)	(1.5)
Reserves	(628.4)	(259.0)
Retained profits	803.1	734.9
Total equity	**2,793.4**	**2,628.5**

FINANCIAL HISTORY

ALUMINA LIMITED AND CONTROLLED ENTITIES

as at 31 December	**2013 US$ million**	2012 US$ million	2011 US$ million	2010 US$ million	2009[1] US$ million
Revenue from continuing operations	**0.3**	0.1	0.2	1.4	4.4
Other income	**140.1**	0.6	0.1	2.1	11.5
Share of net (loss)/profit of associates accounted for using the equity method	**(97.4)**	(7.5)	173.1	84.5	1.6
Finance costs	**(25.3)**	(29.4)	(28.5)	(38.7)	(31.0)
General and administrative expenses	**(17.2)**	(19.0)	(17.3)	(14.7)	(10.5)
Income tax (expense)/benefit from continuing operations	**–**	(0.4)	(1.0)	–	0.3
Net profit/(loss) attributable to owners of Alumina Limited	**0.5**	(55.6)	126.6	34.6	(23.7)
Non-operating non-cash items[2]	**(3.2)**	(6.4)	1.4	2.1	24.0
Underlying (loss)/earnings[2]	**(2.7)**	(62.0)	128.0	36.7	0.3
Total assets	**2,964.0**	3,311.4	3,350.4	3,542.5	3,504.2
Total liabilities	**170.6**	682.9	496.4	471.0	585.9
Net assets	**2,793.4**	2,628.5	2,854.0	3,071.5	2.918.3
Shareholders' funds	**2,793.4**	2,628.5	2,854.0	3,071.5	2,918.3
Dividends declared	**–**	73.2[4]	170.8	91.6	-
Dividends received from AWAC	**100.0**	86.0	232.2	234.4	135.6
Statistics					
Dividends declared per ordinary share	**–[5]**	–[5]	US6c	US6c	US1.8c
Dividend payout ratio (cash dividends)	**–**	–	136%	271%	–
Return on equity[3]	**0.02%**	(2.0)%	4.1%	1.2%	(0.9)%
Gearing (net debt to equity)	**4.6%**	20.1%	14.1%	10.0%	8.7%
Net tangible assets backing per share	**$0.91**	$0.97	$1.06	$1.14	$1.09

[1] Alumina Limited's functional and presentation currency was changed to US dollars in 2010. 2009 results have been restated to present them in US dollars.
[2] Underlying earnings have been calculated by adjusting reported net profit amounts relating to non-cash entries which do not reflect the operations of the Company. These non-cash entries related to mark-to market valuations of AWAC embedded derivatives. Prior to 2012, actuarial gains and losses were included as non-operating non-cash items. Refer to Note 1 for further details on Alumina Limited's change in accounting policy.
[3] Based on net profit attributable to members of Alumina Limited.
[4] Final dividend for the financial year ended 31 December 2011, declared and paid in 2012.
[5] No interim or final dividend declared for the years ended 31 December 2013 and 31 December 2012.



DESIGN: ERD.NET.AU

ALUMINA LIMITED

ABN 85 004 820 419
Registered Corporate Head Office
Level 12, IBM Centre 60 City Road
Southbank Victoria 3006 Australia

GPO Box 5411
Melbourne Victoria 3001 Australia
Telephone +61 (0)3 8699 2600
Facsimile +61 (0)3 8699 2699
Website www.aluminalimited.com
Email info@aluminalimited.com

SHARE REGISTRY

Computershare Investor Services Pty Limited
Yarra Falls 452 Johnston Street
Abbotsford Victoria 3067 Australia

GPO Box 2975
Melbourne Victoria 3001 Australia
Telephone +61(0)3 9415 4027
Or 1300 556 050 (for callers within Australia)
Facsimile +61(0)3 9473 2500
Email web.queries@computershare.com.au

AMERICAN DEPOSITARY RECEIPTS

BNY Mellon shareowner services telephone and internet correspondence:
Toll free number (for callers within the USA)
1-888-BNY-ADRS (1-888-269-2377)
Telephone (for non-US callers) +1 201-680-6825
Website: www.bnymellon.com/shareowner
Email: shrrelations@bnymellon.com

Shareowner correspondence should be mailed to:
BNY Mellon Shareowner Services
P.O. Box 30170
College Station, TX 77842-3170

Overnight Shareowner correspondence should be mailed to:
211 Quality Circle, Suite 210
College Station, TX 77845