

Alumina Limited acts to protect shareholders' interests in relation to proposed Alcoa Separation

Alumina Limited (ASX:AWC) has carefully considered the implications for its shareholders and for the AWAC joint venture of Alcoa Inc.'s proposed corporate separation. Alumina has serious concerns that the proposal as described by Alcoa will result in a material adverse change in the nature, size, scope and financial wherewithal of Alumina's partner in AWAC.

Alumina has raised these concerns with Alcoa and has proposed amendments to the AWAC joint venture agreements to protect the interests of Alumina's shareholders in a manner that would be executable within the context of Alcoa's demerger process and timeframe. Alumina and Alcoa have been in detailed discussions since early this year to address these matters and those discussions are continuing.

On 27 May 2016, Alcoa filed an application in the Chancery Court in Delaware seeking declarations regarding Alumina's rights in the context of the Alcoa demerger.

Alumina considers that Alcoa's demerger proposal triggers consent and 'first offer' rights in favour of Alumina under the AWAC arrangements. Alumina will vigorously defend the proceedings brought by Alcoa.

The proposed form of demerger as advised by Alcoa to Alumina is fundamentally different to the WMC demerger referred to in Alcoa's complaint. In the case of the Western Mining Corporation (WMC) demerger, WMC (which was renamed Alumina Limited) continued as a participant in AWAC. In the demerger structure advised to Alumina, Alcoa (which is also the current AWAC manager) is seeking to exit AWAC and introduce a new and financially weaker entity into the AWAC partnership. Alcoa is thereby seeking to transfer and assign to that entity its rights, interests and obligations, which requires Alumina's consent.

Further, and as a consequence of the proposed separation, Alumina considers it is entitled to receive various offers, including for the Alcoa interest in AWAC companies.

Alumina will continue to press for the resolution of these issues in a manner that protects the interests of its shareholders and which is consistent with the consent and offer rights conferred in the AWAC joint venture agreements.



Stephen Foster
Company Secretary

30 May 2016

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This presentation contains certain non-IFRS financial information. This information is presented to assist in making appropriate comparisons with prior year and to assess the operating performance of the business. Where non-IFRS measures are used, definition of the measure, calculation method and/or reconciliation to IFRS financial information is provided as appropriate or can be found in the Alumina Limited's ASX Half-Year Report for the period ended 30 June 2015.

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