

ASX Announcement

16 July 2020

Alcoa Corp Second Quarter 2020 Earnings Release

Alumina Limited (ASX: AWC) notes Alcoa Corp's ("Alcoa") quarterly earnings release. To assist readers in understanding relevant market, operational and commercial matters of the AWAC joint venture, selected information from the Alcoa Bauxite and Alumina Segments, AWAC joint venture and Alumina Limited plus other market data is attached.

Alumina Limited's CEO, Mike Ferraro, said "AWAC has achieved record quarterly daily alumina production for the current system despite the challenges from the COVID 19 pandemic. The joint venture continues to focus on the safety of AWAC employees and the wider communities.

The strong production performance and lower caustic soda input costs and energy prices resulted in the cash costs of alumina production falling by \$11 per tonne. External market factors drove the overall Alumina Segment result lower with the lagged alumina index price falling 10% from the previous quarter.

Alumina Limited received \$58.6 million of net cash distributions in the second quarter, up from \$31.3 million for the previous quarter. AWAC continues to focus on cash saving strategies as it seeks to navigate the challenging market conditions.

Alumina prices have risen from their lows of \$225/t in April following increased importing of alumina by China and are now at \$284/t. Global demand for smelter-grade alumina so far in 2020 is slightly higher than 2019 volumes. Market sentiment globally has improved and there are signs of a promising economic recovery in China. However, it is still to be seen how the economic impact of the pandemic will pan out."

This ASX announcement was approved and authorised for release by Mike Ferraro, Chief Executive Officer.

About AWAC & Alcoa's Earnings Release

Alumina Limited owns 40% of each of the AWAC entities, which form a part of the Alcoa bauxite & alumina business segments. The Alcoa aluminium business segment includes the AWAC Portland smelting operations. The operating Afobaka power station and closed operations are included in Transformation & legacy pension/OPEB. Therefore, the AWAC results cannot be directly inferred from the Alcoa earnings release. Further, unlike Alumina Limited, Alcoa reports under US GAAP. All figures displayed are in US dollars unless otherwise shown.

Forward-looking statements

Neither Alumina Limited nor any other person warrants or guarantees the future performance of Alumina Limited or any return on any investment made in Alumina Limited securities. This document may contain certain forward-looking statements, including forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. The words "anticipate", "aim", "believe", "expect", "project", "estimate", "forecast", "intend", "likely", "should", "could", "will", "may", "target", "plan" and other similar expressions (including indications of "objectives") are intended to identify forward-looking statements. Indications of, and guidance on, future financial position and performance and distributions, and statements regarding Alumina Limited's future developments and the market outlook, are also forward-looking statements.

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Alumina Limited

- Alcoa Corp's 2Q 2020 Bauxite and Alumina Segments' highlights
- Market data on commodity prices

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Highlights

Alcoa Segments	2Q 2020	1Q 2020	Selected Highlights
Adjusted EBITDA Total: - Alcoa Alumina Segment - Alcoa Bauxite Segment Adjusted EBITDA Margin: - Alcoa Alumina Segment - Alcoa Bauxite Segment	\$88m \$131m 9.9% 42.1%	\$193m \$120m 18.5% 39.2%	<ul style="list-style-type: none"> Alumina: Decrease predominantly driven by 10% fall in API partially offset by lower raw material costs. Bauxite: Increase predominantly driven by higher volumes and lower energy prices.

AWAC	2Q 2020	1Q 2020	Comments
Production: - AWAC Refining Business (mt) - AWAC Mining Business (mbdt) Alumina Cost and Price: - Cash Cost (\$/t production) - Realised Price (\$/t shipments)	3.2 11.6 \$188 \$252	3.1 11.0 \$199 \$279	<ul style="list-style-type: none"> Refining/Mining: Includes CBG/MRN and excludes Ma'aden. Refer to slide 8 (including footnote 4) for further details. Cash Cost includes bauxite at cost: Flow through effect of lower caustic soda and energy prices. Previously announced Western Australia higher priced gas contracts will increase second half system-wide cash cost by about 5% compared to 2019 average Cash Cost all other things being equal Realised Price: Down 10%, consistent with fall in one month lagged API, quarter on quarter.

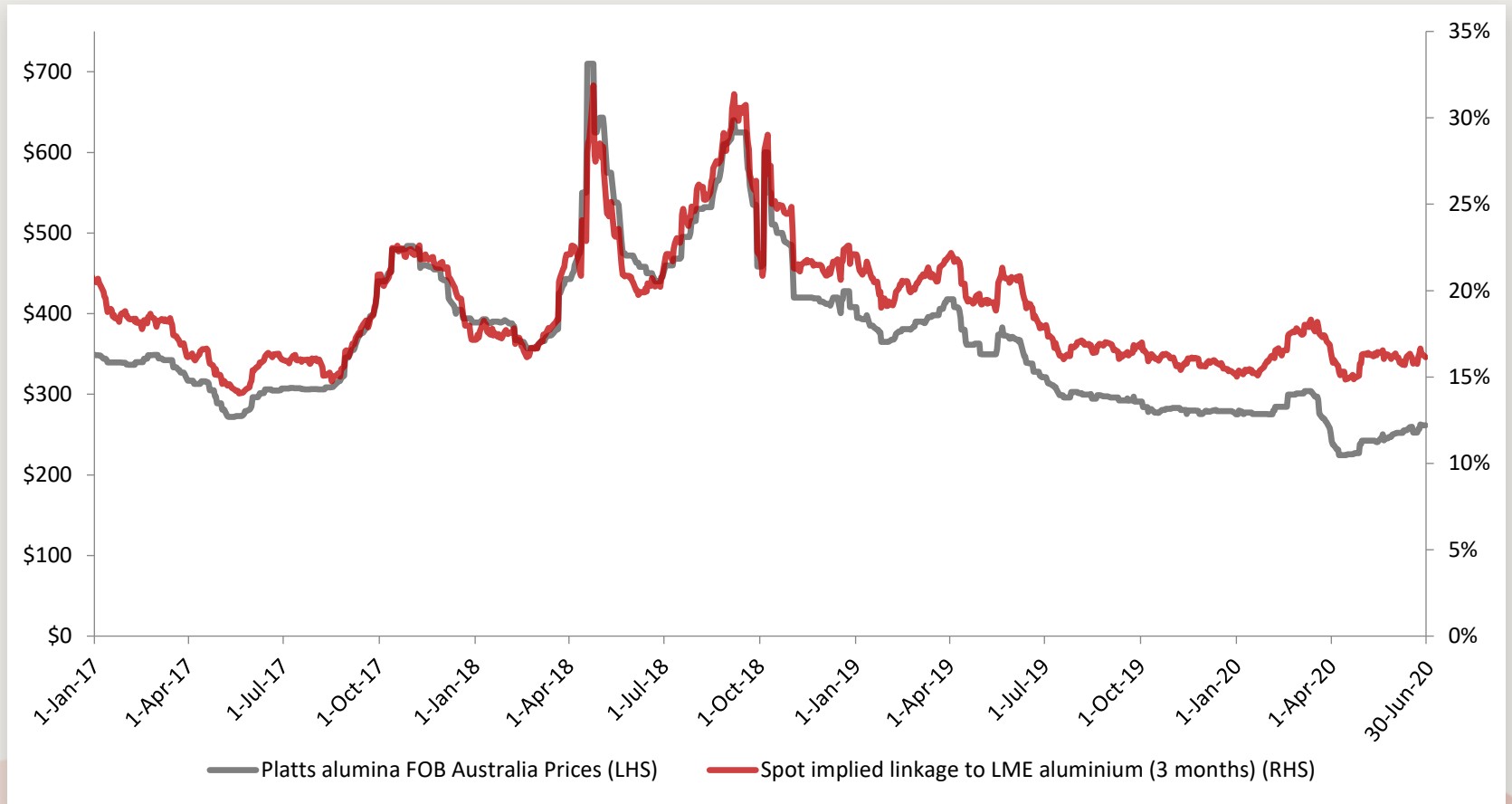
Alumina Limited	Post 30/06/20	2Q 2020	1Q 2020	Comments
AWAC Net Distributions: - Alumina Limited Receipts - Alumina Limited Contributions Net Debt – Period End	\$18.6m Nil N/a	\$75.0m (\$16.4m) \$77.4m	\$31.3m Nil \$132.1m	<ul style="list-style-type: none"> The 2019 final dividend, paid in March 2020, included \$31.3m of net distributions received after 31 December 2019 but prior to declaration on 25 February 2020.

AWAC 2020 distribution calendar (US\$m)

2020: No later than	Relevant AWAC Entities	Description	Distributions from AWAC [1]	Contributions to AWAC [1]	Included In Alumina's
20 January	All	50% of each entity's US GAAP Net Income (if positive) for 4Q of the previous calendar year	\$27.6	N/A	2019 Final Dividend
20 February	All except AWA LLC	Available Cash of each entity as at 31 January	\$3.7	N/A	2019 Final Dividend
31 March	AWA LLC	Working Capital Contributions	N/A	Nil	2020 Interim Dividend
20 April	All	50% of each entity's US GAAP Net Income (if positive) for 1Q	\$33.8	N/A	2020 Interim Dividend
20 May	All except AWA LLC	Available Cash of each entity as at 30 April	\$41.1	N/A	2020 Interim Dividend
30 June	AWA LLC	Working Capital Contributions	N/A	(16.4)	2020 Interim Dividend
20 July	All	50% of each entity's US GAAP Net Income (if positive) for 2Q	\$18.6	N/A	2020 Interim Dividend
20 August	All except AWA LLC	Available Cash of each entity as at 31 July	TBA	N/A	2020 Interim Dividend
20 October	All	50% of each entity's US GAAP Net Income (if positive) for 3Q	TBA	N/A	2020 Final Dividend
31 October	AWA LLC	Working Capital Contributions	N/A	(TBA)	2020 Final Dividend
20 November	All except AWA LLC	Available Cash of each entity as at 31 October	TBA	N/A	2020 Final Dividend
31 December	AWA LLC	Working Capital Contributions	N/A	(TBA)	2020 Final Dividend

[1] Alumina Limited's 40% share

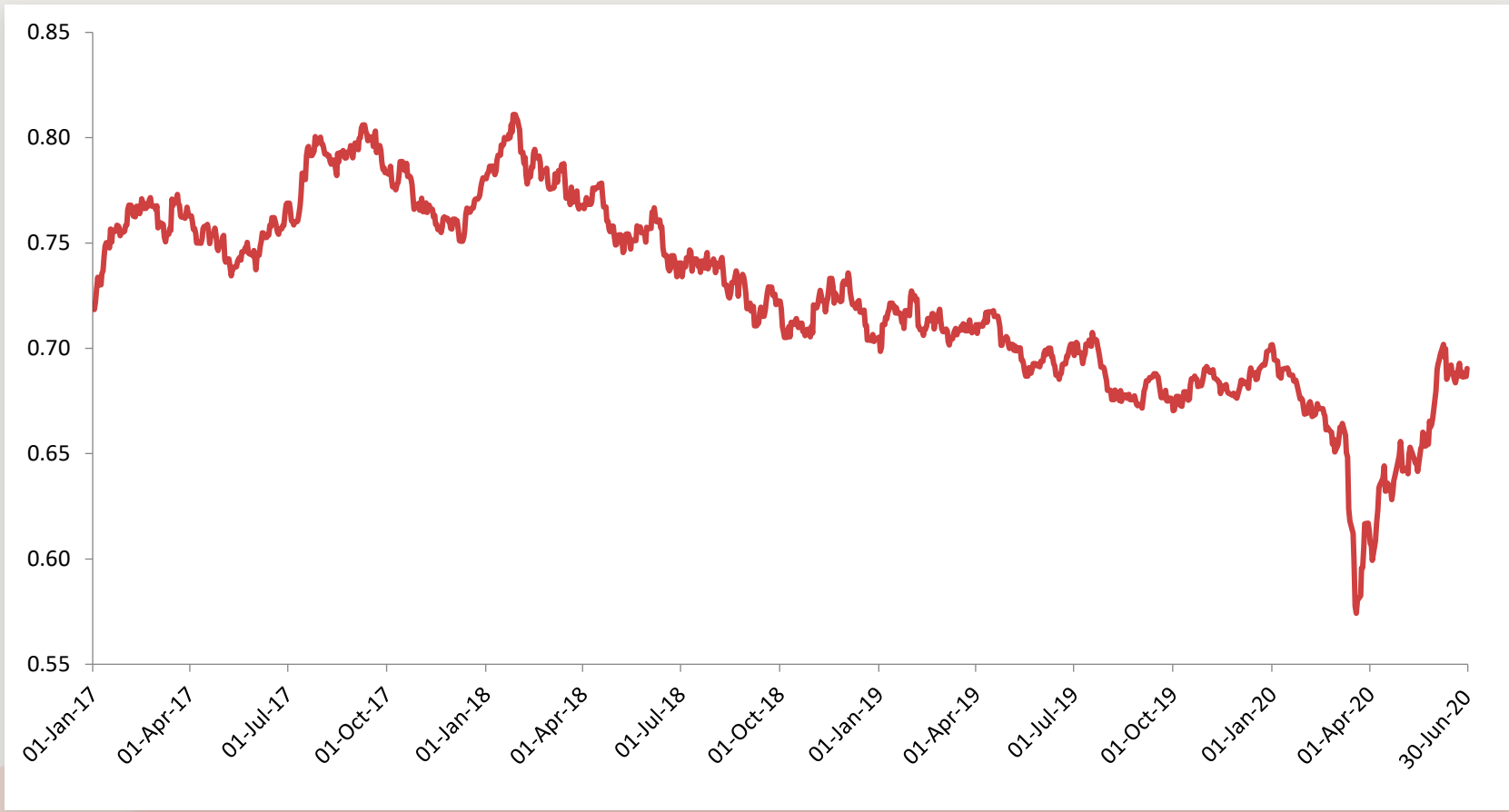
Spot alumina & implied linkage



Sources: Alumina: S & P Global Platts, July 2020. LME Aluminium: Thomson Reuters, July 2020

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

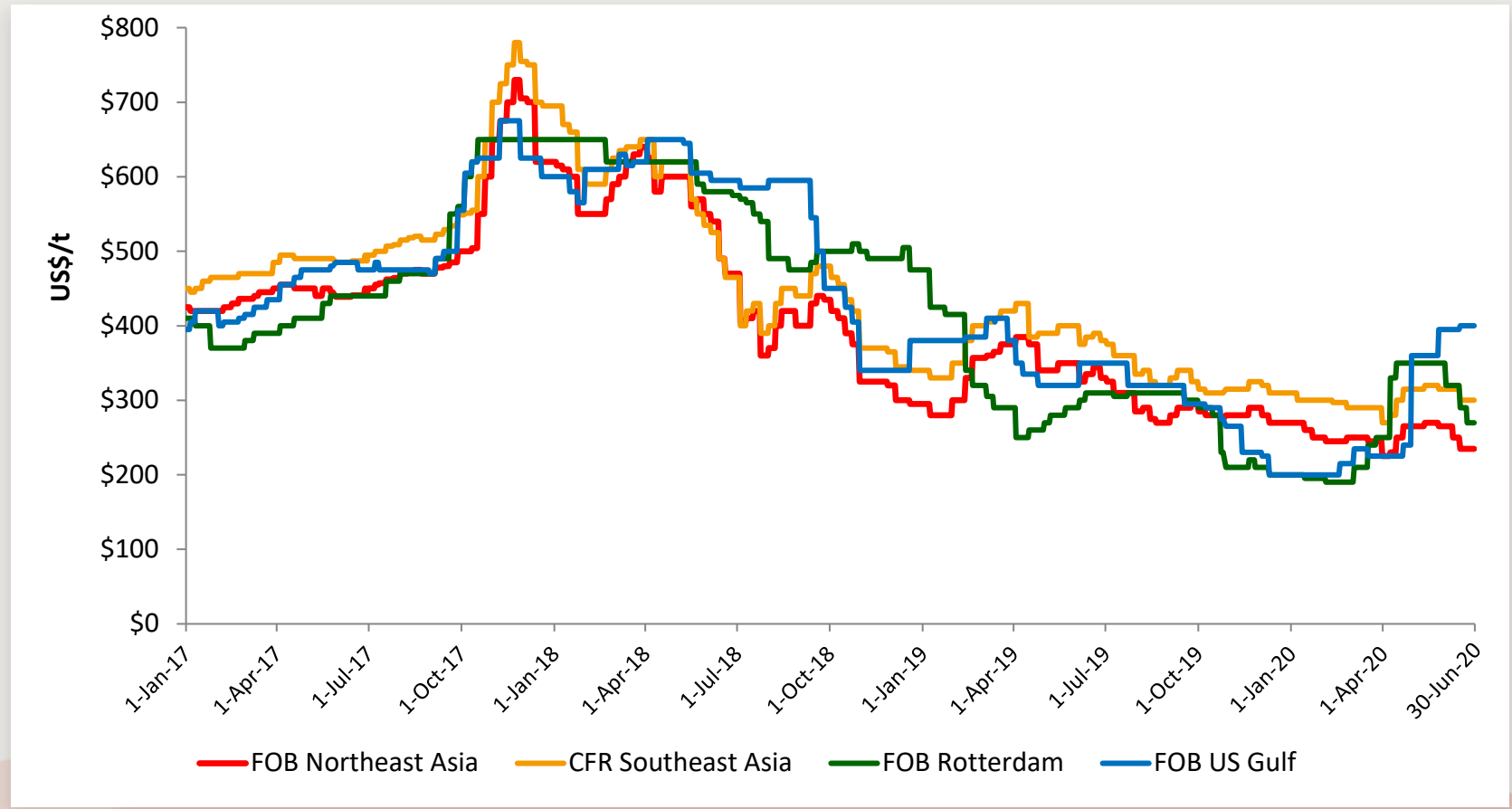
Foreign exchange – AUD/USD



Source: Thomson Reuters, July 2020

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

Caustic soda



Source: S & P Global Platts, July 2020

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

AWAC Financial Statements

Equity Interests' Disclosure

	AWAC Financial Statements			Equity Share of production 2Q 2020
	Revenue	COGS	Other Income /Expense	
CBG bauxite mine	✓ ¹	✓ ¹		941k bdt³
MRN bauxite mine	✓ ¹	✓ ¹		243k bdt³
Ma'aden Al Ba'itha Bauxite mine			✓ ²	289k bdt⁴
Ma'aden Ras Al Khair refinery			✓ ²	106k t⁴

¹ Bauxite is purchased at the partner price and recorded in COGS. Third party bauxite sales are recorded in Revenue. The equity accounted share of CBG and MRN's profit or loss is recorded in COGS

² AWAC's equity accounted share of Ma'aden's profit and loss is recognised in Other Income/Expense

³ Based on the terms of its bauxite supply contracts, AWAC's bauxite purchases from the MRN and CBG, differ from their equity share of production in those mines

⁴ Given that Ma'adens results do not flow through AWAC's Revenue or COGS, its production is not included in AWAC's total Production, Realised Price, or Cash Cost. Ma'aden mine is fully integrated with the Ma'aden refinery. If the Ma'aden Cash Cost or Realised Price was included in the relevant AWAC calculation it would not have a material impact.