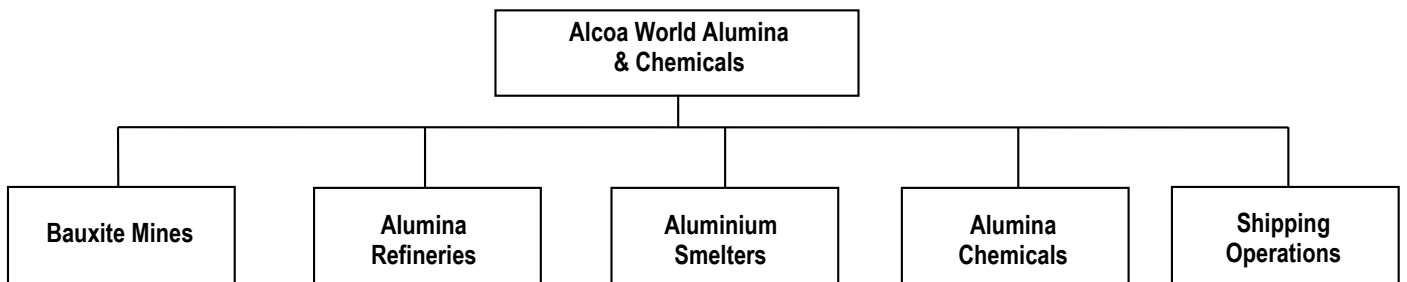


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Diagram of AWAC Operations



All operations 100% owned, unless otherwise indicated

Australia – Huntly & Willowdale
Brazil – Trombetas (9.6%) & Juruti
Guinea – Sangaredi (23%)
Jamaica – Manchester Plateau (55%)
Suriname – Moengo, Klaverblad & Kaimangrassie
Saudi Arabia – mine being developed (25.1%)

Australia – Kwinana, Pinjarra & Wagerup
Brazil – Sao Luis (39%)
Jamaica – Clarendon (55%)
Spain – San Ciprian
Suriname – Paranam
USA – Point Comfort
Saudi Arabia – refinery being developed (25.1%)

Australia - Point Henry & Portland (55%)

Australia – Kwinana
Spain – San Ciprian
USA – Point Comfort

Bauxite deposits: AWAC’s bauxite deposits are large deposit areas with long term mining rights. Bauxite mining is planned on an incremental basis after detailed assessment of the deposits to achieve a uniform quality in the supply of blended feedstock to the relevant refinery.

Refineries: AWAC operates eight alumina refineries, six of which are located in proximity to bauxite deposits.

Smelters: AWAC produces primary aluminium in Australia, with alumina supplied by the Australian refineries.

Alumina Chemicals: AWAC produces chemical grade alumina from three refineries: Kwinana (Australia), Point Comfort (USA) and San Ciprian (Spain).

Shipping Operations: AWAC’s shipping operations use owned and chartered vessels to transport dry and liquid bulk cargoes, including bauxite, alumina, caustic soda, fuel oil, petroleum, coke and limestone.

Alcoa World Alumina and Chemicals (AWAC) Profit & Loss

US\$ Millions (US GAAP) 100%	1st Half 2012	2nd Half 2011	1st Half 2011
Sales and Operating Revenue	1,786.7	2,056.5	2,088.1
Revenue from Related Parties	1,149.2	1,231.2	1,291.2
Total Revenue	2,935.9	3,287.7	3,379.3
Cost of Goods Sold and Operating Expenses	(2,719.1)	(2,761.4)	(2,697.6)
Selling, Administration, Other Expenses and R&D Expenses	(62.0)	(69.1)	(65.7)
Provision for Depreciation, Depletion and Amortisation	(238.7)	(240.0)	(225.8)
Other	5.7	6.0	(4.1)
Total Expenses	(3,014.1)	(3,064.5)	(2,993.2)
(Loss)/Profit before Taxes on Income	(78.2)	223.2	386.1
Provision for Taxes on Income	(8.9)	(32.1)	(107.5)
Net (Loss)/Income	(87.1)	191.1	278.6
Members' Equity			
Opening Balance at Start of Period	8,343.1	9,249.6	8,634.8
Net (Loss)/Income	(87.1)	191.1	278.6
Capital Contribution	277.0	101.7	325.0
Dividends Paid and Return of Capital to Partners	(176.7)	(174.3)	(467.6)
Common Stock Issued for Compensation Plans	3.0	2.0	2.6
Other Comprehensive Income	(319.9)	(1,027.0)	476.2
Closing Balance at End of Period	8,039.4	8,343.1	9,249.6

Alcoa World Alumina and Chemicals (AWAC) Balance Sheet

US\$ Millions (US GAAP) 100%	30 June 2012	31 December 2011	30 June 2011
Cash and Cash Equivalents	180.8	204.0	190.2
Receivables	471.3	535.2	558.4
Related Party Notes Receivable	87.0	82.9	13.7
Inventories	808.7	777.3	785.5
Prepaid Expenses and Other Current Assets	159.4	138.9	171.9
Total Current Assets	1,707.2	1,738.3	1,719.7
Property Plant & Equipment	6,856.1	7,133.8	7,860.7
Investments	510.5	401.1	422.8
Other Assets and Deferred Charges	1,563.3	1,649.4	1,712.6
Total Non-Current Assets	8,929.9	9,184.3	9,996.1
Total Assets	10,637.1	10,922.6	11,715.8
Short Term Borrowings	61.1	38.5	36.3
Payables	828.4	886.2	819.4
Taxes Payable	204.3	224.0	280.2
Accrued Compensation and Retirement Costs	275.5	263.5	249.7
Other Current Liabilities	171.1	133.4	124.6
Total Current Liabilities	1,540.4	1,545.6	1,510.2
Capital lease obligations	24.6	31.0	39.7
Deferred Taxes	203.1	217.7	272.8
Other Long Term Liabilities	829.6	785.2	643.5
Total Non-Current Liabilities	1,057.3	1,033.9	956.0
Total Liabilities	2,597.7	2,579.5	2,466.2
Equity	8,039.4	8,343.1	9,249.6
Total Liabilities & Equity	10,637.1	10,922.6	11,715.8

Alcoa World Alumina and Chemicals (AWAC) Statement of Cash Flows

US\$ Millions (US GAAP) 100%	1st Half 2012	2nd Half 2011	1st Half 2011
<u>Operating Activities</u>			
Net (Loss)/Income	(87.1)	191.1	278.6
Adjustments to Reconcile Net Income to Cash from Operations			
Depreciation, Amortisation and Impairment	238.7	240.0	225.8
Other Items*	21.0	15.3	(212.2)
Cash from Operating Activities	172.6	446.4	292.2
<u>Financing Activities</u>			
Dividends Paid & Return of Capital to Partners	(176.7)	(174.3)	(467.6)
Change in Debt	22.6	2.2	(217.6)
Changes to capital lease obligations	(6.4)	(8.7)	(1.8)
Capital Contribution	277.0	101.7	325.0
Cash Generated/ (Used) for Financing Activities	116.5	(79.1)	(362.0)
<u>Investing Activities</u>			
Capital Expenditure	(184.2)	(258.5)	(133.5)
Net changes in related party note receivable	(4.5)	(71.4)	106.3
Other	(120.2)	(15.4)	(52.8)
Cash Used for Investing Activities	(308.9)	(345.3)	(80.0)
Effect of Exchange Rate Changes on Cash	(3.4)	(8.2)	8.4
Cash Generated/(Used)	(23.2)	13.8	(141.4)
Cash and Cash Equivalents			
Cash and Cash Equivalents at Beginning of Period	204.0	190.2	331.6
Cash and Cash Equivalents at End of Period	180.8	204.0	190.2
Net Change in Cash and Cash Equivalents	(23.2)	13.8	(141.4)

* Other Items consists of net movement in working capital and other non-current assets and liabilities

Alcoa World Alumina and Chemicals (AWAC) Reconciliation of Profit to Alumina Limited Share of AWAC's Equity Profit

	1st Half 2012	2nd Half 2011	1st Half 2011
AWAC (Loss)/profit before tax (US GAAP)	(78.2)	223.2	386.1
Adjust for AIFRS			
- embedded derivatives	33.2	199.7	15.1
- retirement benefit obligations	(52.1)	(173.9)	(50.6)
- other	17.1	6.9	12.5
AWAC (Loss)/profit before tax (AIFRS)	(80.0)	255.9	363.1
AWAC Tax (US GAAP)	(8.9)	(32.1)	(107.5)
Adjust for AIFRS			
- Brazil deferred tax	69.0	(22.5)	(24.9)
- FAS 109	40.1	-	-
- other	(0.8)	(1.8)	2.6
AWAC Tax (AIFRS)	99.4	(56.4)	(129.8)
AWAC (Loss)/profit before tax (AIFRS)	(80.0)	255.9	363.1
AWAC Tax (AIFRS)	99.4	(56.4)	(129.8)
AWAC Profit after tax (AIFRS)	19.4	199.5	233.3
Alumina Limited Share of Equity Profit after tax	7.8	79.8	93.3