Alumina Limited 2011 Half Year Results

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Structural change driving strong performance

- Underlying earnings $78m – up 254% pcp
- Reported NPAT $68m – up 53% pcp
- Interim dividend 3 cents – up from 2 cents pcp
- Influenced by four key factors:
  - sound demand fundamentals for aluminium
  - move towards de-linked alumina pricing – six months into an approx 5 year transition
  - margins moving upstream
  - steady operational performance
- Alumina Limited has low gearing and improved cash flow, and is well positioned

AWAC: the premier global bauxite / alumina business

- Alumina Limited provides a unique ability for a pure investment in AWAC

- Alumina Limited owns 40% of AWAC – a premier owner and operator of Tier 1 bauxite and alumina globally
- AWAC is a joint venture between Alumina Limited (40%) and Alcoa Inc (60%)
- Investment in AWAC is Alumina's only asset

First Half Results

AWAC results at a glance (US GAAP)

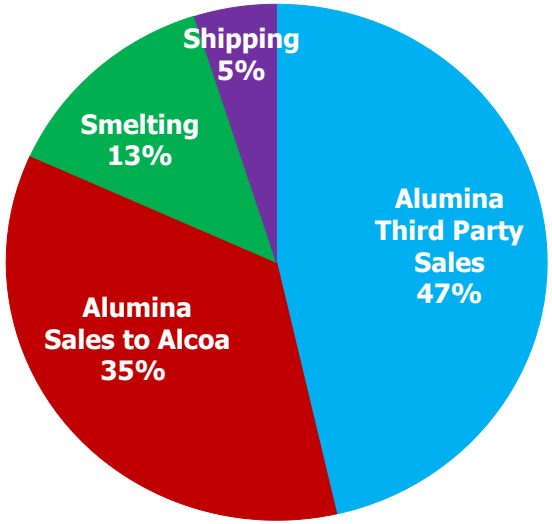
- Strong revenue growth
- Profit before tax up 73% on pcp and 161% on 2H 2010
  - impact of delinking of alumina prices from aluminium becoming evident
  - 6 months into a 5 year (approx) change process on alumina pricing
  - improved aluminium prices also a positive influence

US$m	1H 11	2H 10	1H 10	1H 11 v 1H 10
Total Revenue	3,379	2,802	2,654	27%
Total Expenses	(2,993)	(2,654)	(2,431)	23%
Profit before tax	386	148	223	73%
Profit after Tax	279	210	125	123%

Revenue up 27% on 1H 2010

- AWAC moving to spot/index pricing for alumina
  - approximately 20% of third party contracts priced on spot/index
- Aluminium prices recovering from low levels in 2009, 2010
  - earlier contracts generally base pricing on a percentage of the aluminium price
- Sales to Alcoa priced at average of third party sales (including spot/index sales)

AWAC Revenue Break Up



	1H 11	2H 10	1H 10
Alumina Shipments	7.6mt	7.8mt	7.4mt
Alumina Production	7.8mt	7.8mt	7.4mt
Aluminium Production	177kt	181kt	175kt

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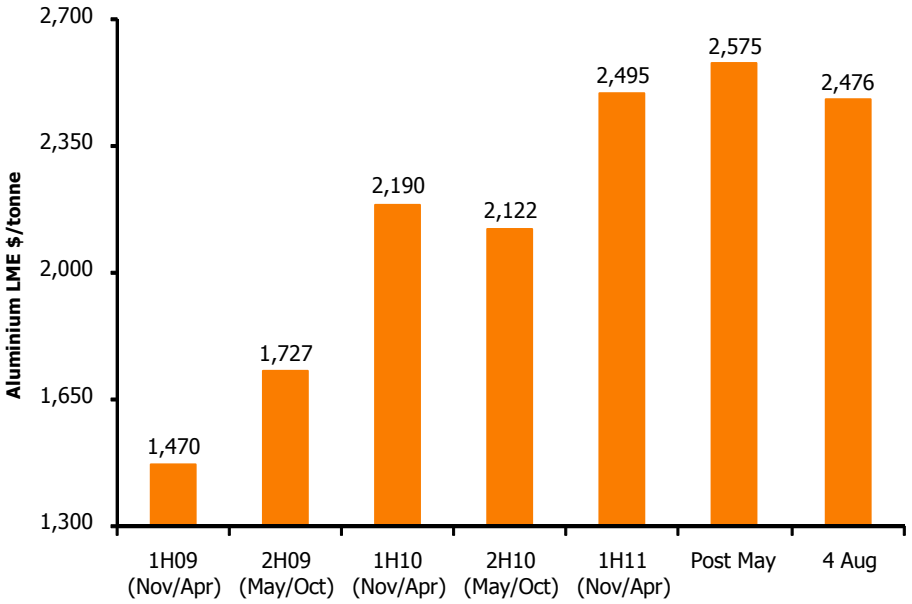
Operating margins continue to improve

Alumina Operating Margin[1]		
1H 11	**2H 10**	**1H 10**
$76/t	$40/t	$55/t

Source: Alcoa 2Q 2011

1 Operating margin is sales less cost of goods sold (excluding depreciation), and selling, administration, research and other expenses

LME aluminium reference value, by half year
(3 month LME, lagged by 2 months)



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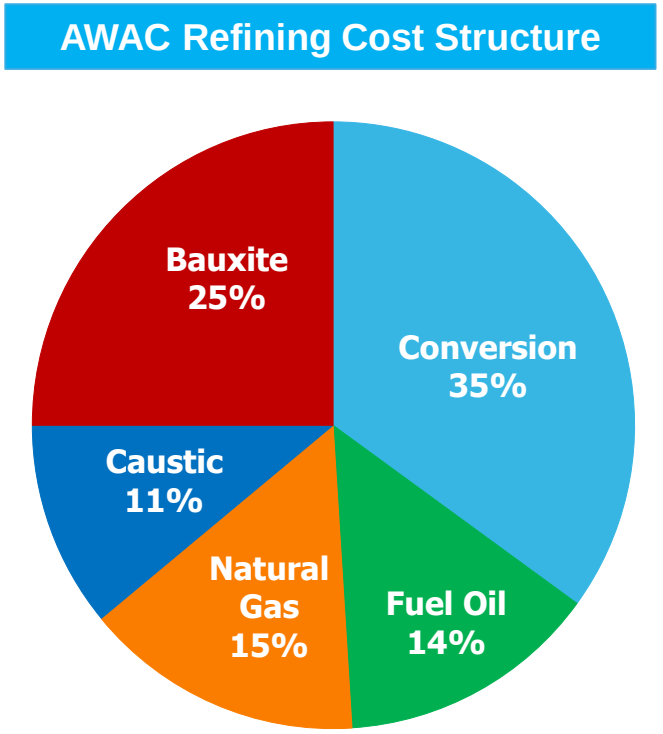
Strength of Australian Dollar and Brazil Real create cost pressure

- 65% of alumina produced in Australia and Brazil
- 100% of AWAC aluminium produced in Australia
- Currency pressure estimated to increase alumina cost of production by ~$19 per tonne over 1H 2010 across total production
- Labour contract settlement and additional scheduled maintenance in Australia added to costs
- Enterprise Bargaining Agreements for 3 years finalised in Australia
- Global caustic soda prices increased over 1H 2010



Source: Alcoa 2Q 2011

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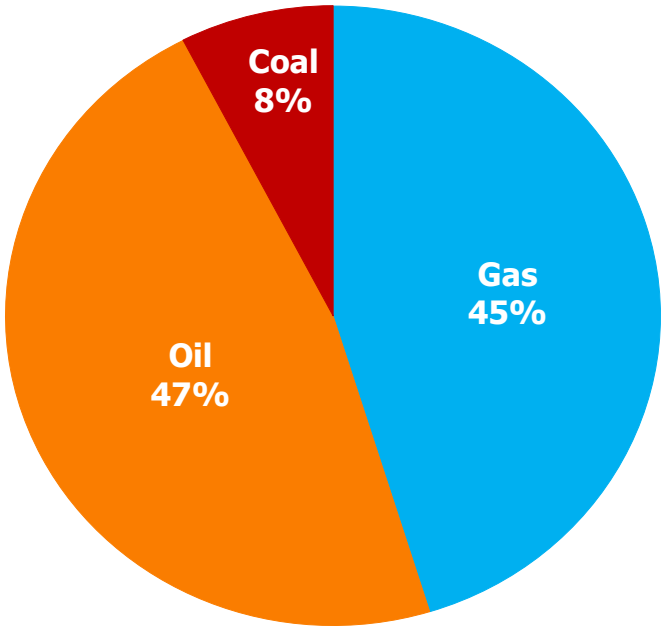
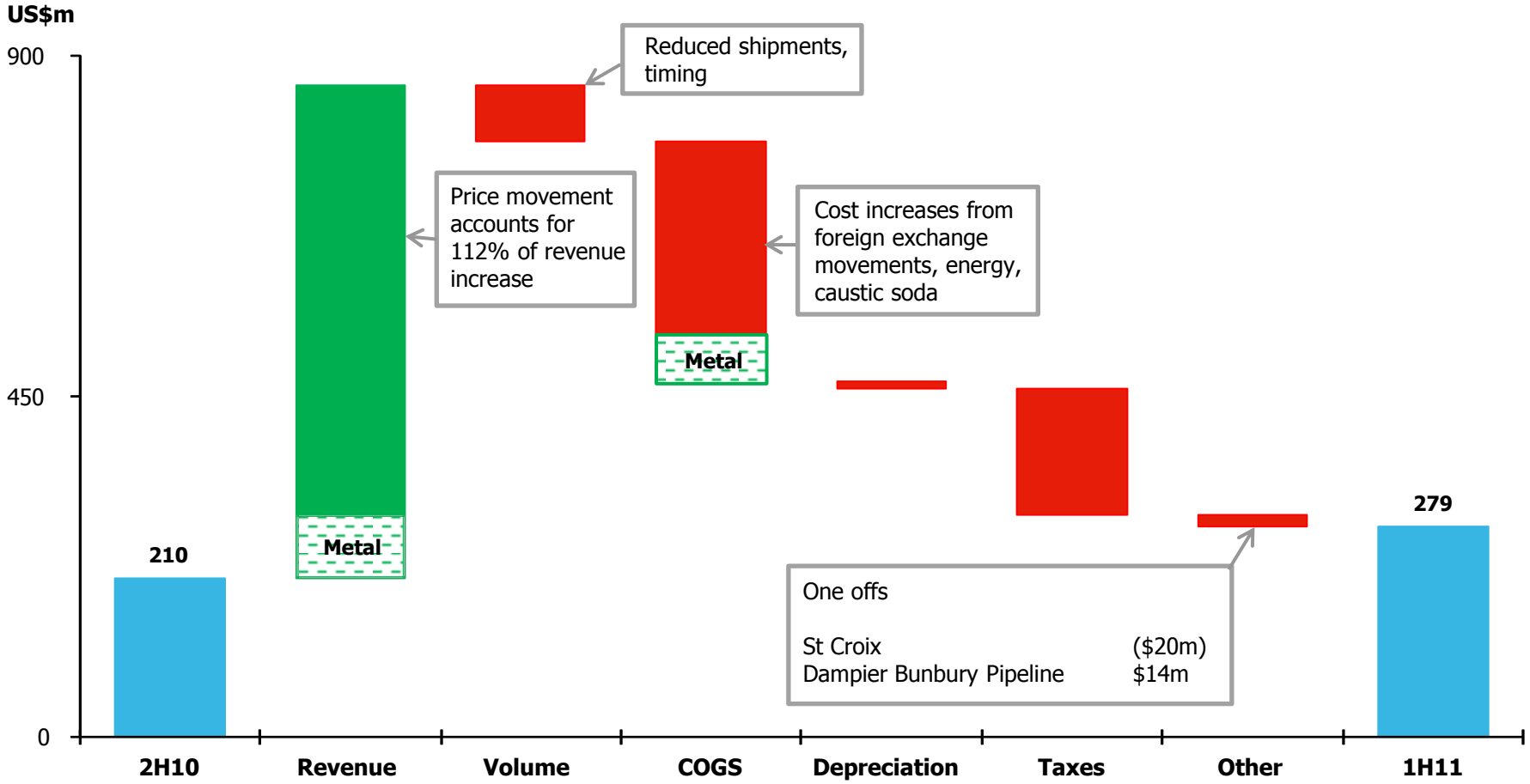
Balanced energy profile

1H 2011 Total AWAC Refinery Energy Spend %



- Oil cost influenced by global prices, up ~30% from pcp
- US gas prices low with production of significant shale gas
- Australian refineries use gas from NW shelf
  - approximately 85% of required gas on long term contracts to 2020
  - AWAC owns 20% of Dampier Bunbury pipeline
- San Ciprian switching 8% of oil requirements to gas

Alumina prices drive AWAC results



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EBITDA* up 40%

- Earnings before interest, tax and depreciation up 40% on prior comparative period
- Cash from operations lower due to timing of receivables collection
- Dividends paid continue to rise

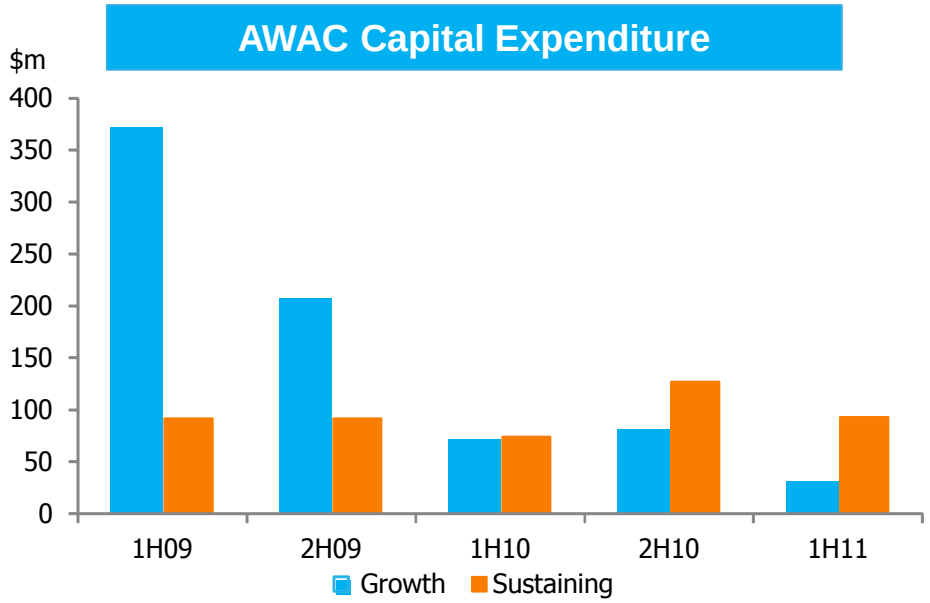
US$m	1H 11	2H 10	1H 10
Cash from operations	292	424	300
Capital expenditure	(133)	(152)	(146)
Free cash flow**	159	272	154
Dividends paid	414	349	238
EBITDA*	611	368	435

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

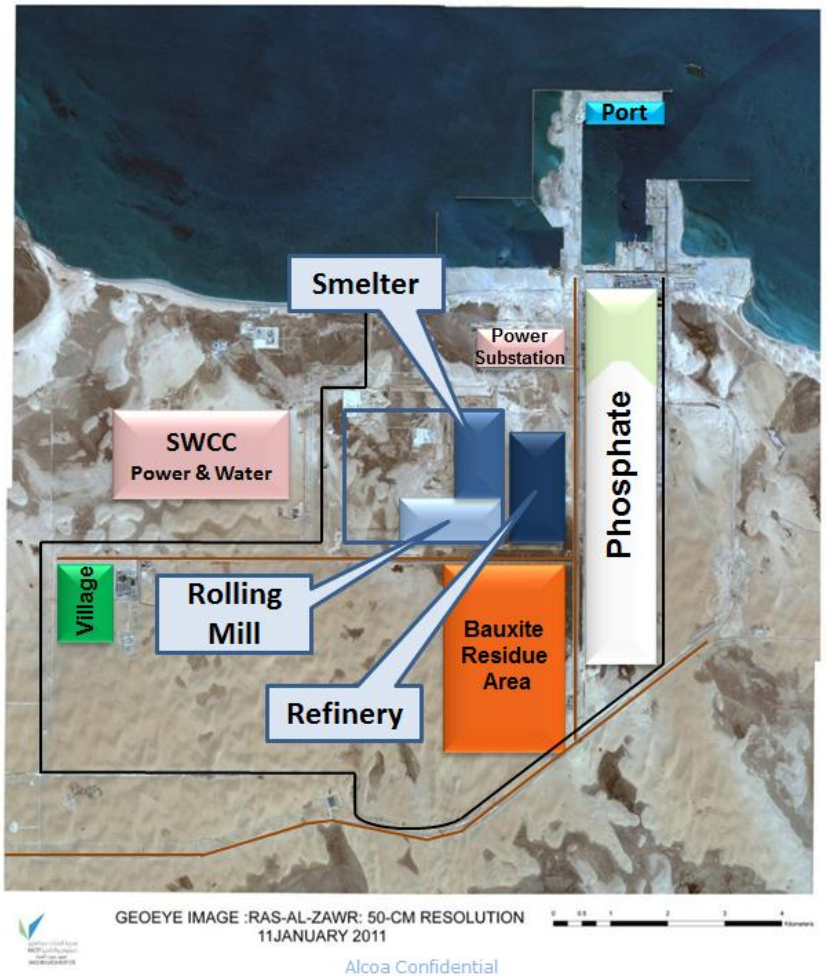
* Earnings before interest, tax, depreciation and amortisation

Capital expenditure focused on sustaining activities

- AWAC sustaining capex for full year estimated at up to $350 million
  - spend to date $94 million
  - commenced mine crusher move in Australia, estimated spend A$285 million over 4 years
- AWAC growth capex for full year estimated at $120 million (mainly Brazil) and $125 million (Ma'aden)



Ma'aden growth project underway



- AWAC has 25.1% interest in mine and refinery
- Estimated to cost $3.6 billion
  - project financing approx 60%
  - financing proceeding to timetable
  - Alumina to contribute $140 million (approx) 2010-2014
- Ground breaking of mine and refinery underway
- AWAC will supply alumina to smelter from late 2012
- First alumina from refinery in Saudi Arabia in 2014

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Alumina Limited Profit & Loss

- Underlying earnings of $78 million up 254% on prior comparative period
- Reported NPAT of $68 million up 53% on prior comparative period
- Interim dividend determined of US 3 cents per share, fully franked

US$m	1H 11	2H10	1H 10	1H 11 v 1H 10
Equity Share of AWAC Underlying PAT	103	37	50	106%
Underlying Earnings	78	15	22	254%
Net Profit/(Loss) After Tax	68	(9)	44	53%

Major IFRS adjustments

- AWAC results in US GAAP
- Adjustments between US GAAP and AIFRS are non-cash book entries
- Adjusted to AIFRS before Alumina Limited recognises its share of profits
  - $25m tax credit in AWAC reversed
  - $11m embedded derivative credit
  - $36m pension debit

Alumina Limited free cash flow*

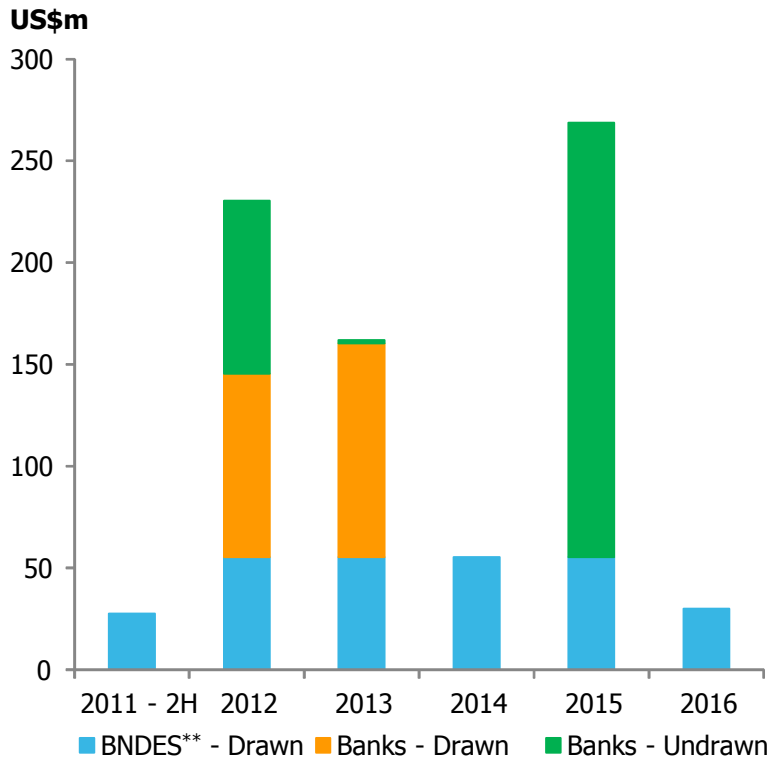
- Improved dividends from AWAC
  - $166 million in 1H 2011, up 74% from prior comparative period
- Investments in associates primarily directed to Brazil and to repayment of shareholder loans in Espanola

US$m	1H 11	2H 10	1H 10
Dividends received	166	139	95
Costs	(23)	(23)	(20)
Other	4	6	4
Cash from Operations	147	122	79
Net Payments for Investments in Associates	(109)	(98)	(50)
Free Cash Flow	38	24	29

* Free cash flow defined as cash from operations less net payments for investments in associates

Alumina gearing* a conservative 11.3%

Debt Maturity & Availability
30 June 2011



* (Debt – cash)/(debt + equity)

** BNDES - Brazil National Development Bank

- Committed medium term facilities in place
- Convertible bond fully repaid during half
- Decrease in funding costs
- Undrawn committed facilities of $300 million available
- Policy is to maintain gearing below 15%

The Aluminium industry: Three distinct segments that are becoming less integrated

3 global businesses

Alumina Limited focuses on bauxite and alumina

Global bauxite market ~225 million tonnes

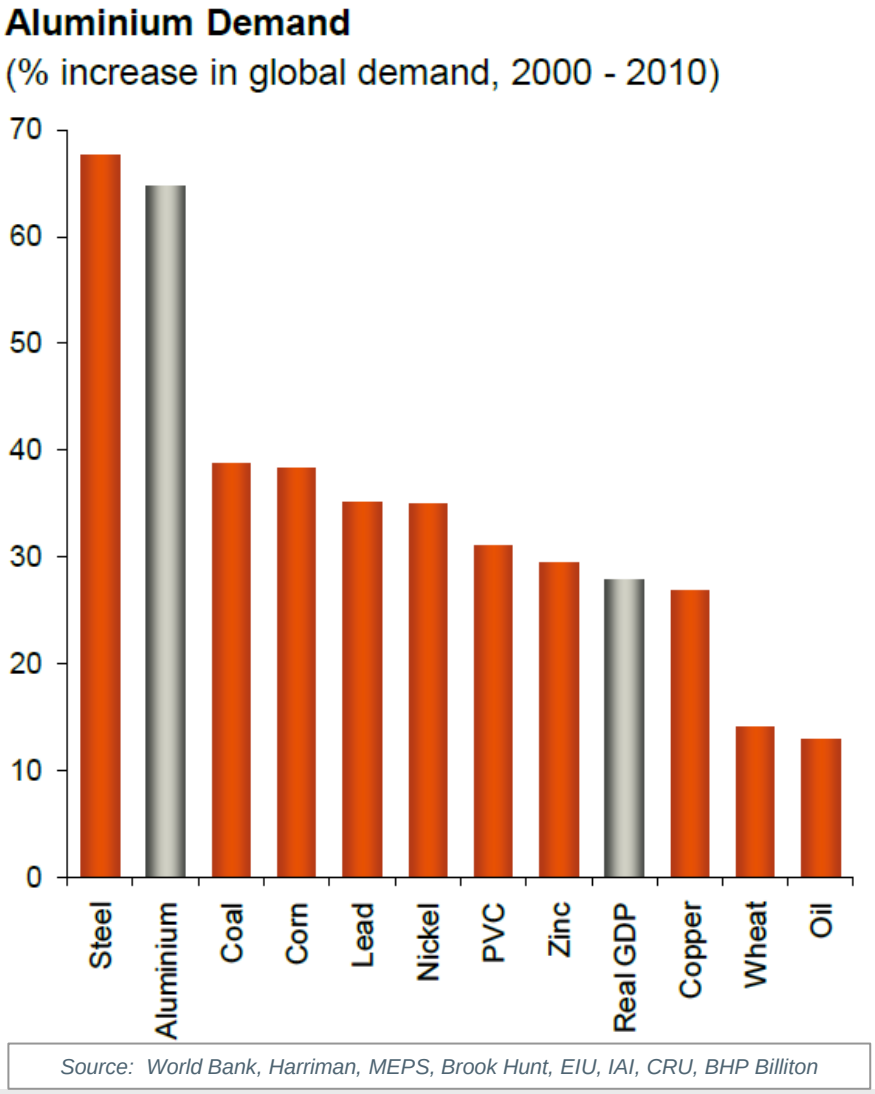
Global alumina market ~90 million tonnes

Global smelter market ~45m tonnes

- Each business has different economics and varies regionally
- Global industry is less vertically integrated than before China's growth
- The outlook for the entire aluminium industry is strong
- Demand for aluminium is increasing the value of existing Tier 1 bauxite/alumina assets
- This is not a passing phenomenon, but the result of the structure of the aluminium industry
- Margins are continuing to move upstream

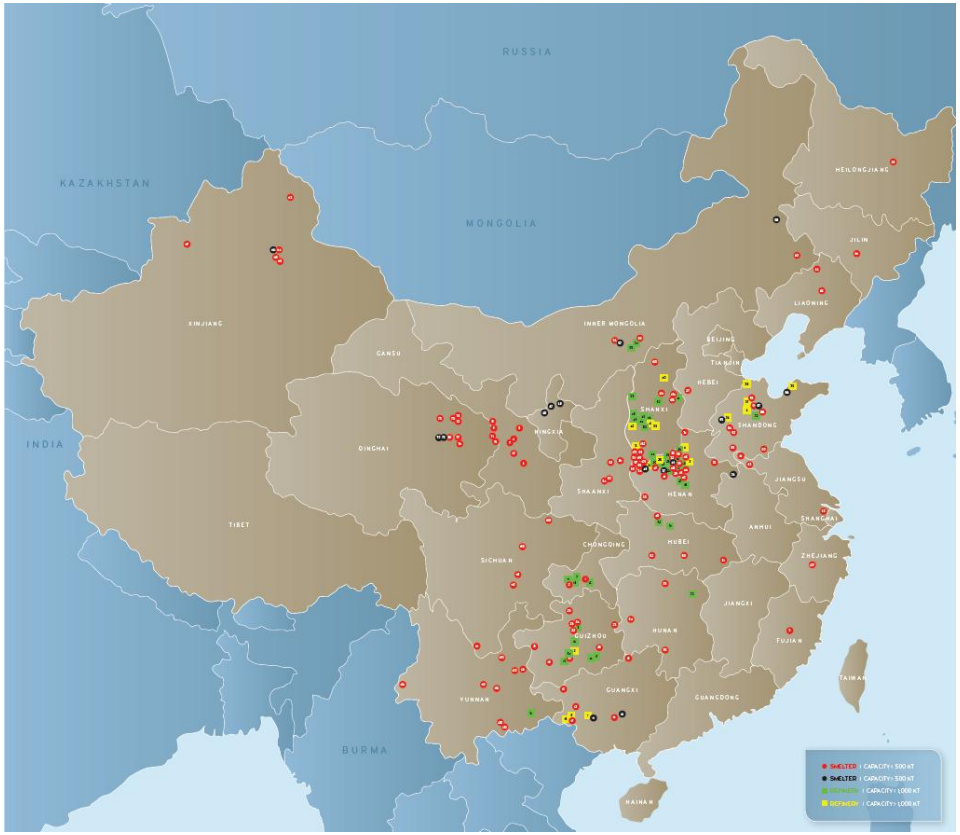
Aluminium – long term growth

Aluminium's flexibility will drive long term growth



- Last 10 years has outgrown all metals, except steel
- Global demand estimated to be growing at 12% in 2011
- Long term 6% CAGR 2010-2018
- China is 42% of global demand
  - ongoing urbanisation
  - fast growing consumption

Chinese smelting capacity continues to grow



Source: Clark & Marron

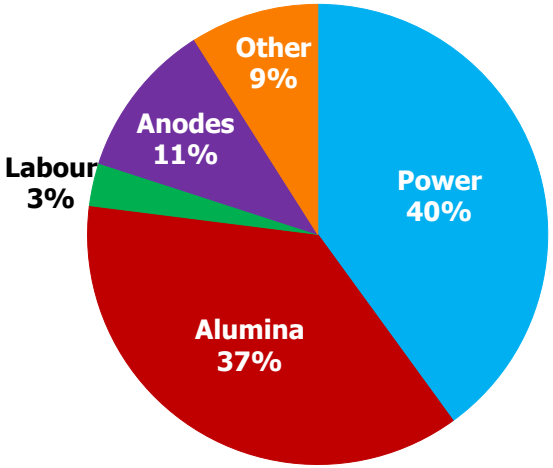
- Urbanisation continues to drive strong demand for aluminium
- Government restrictions on new smelters using grid power

However

- More than half of China's smelters have own power plants
- New smelting capacity being built primarily in Xinjiang (North West Province) based on stranded coal

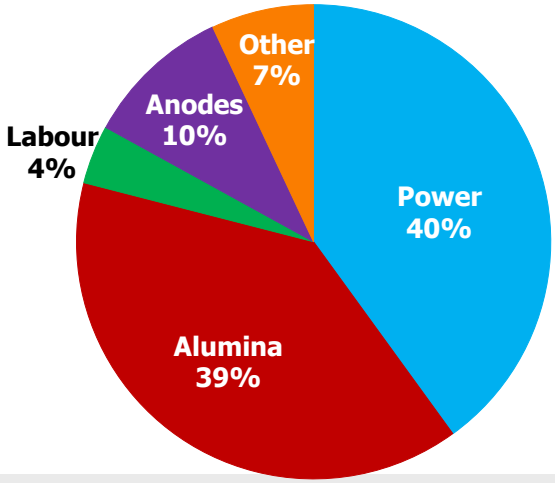
Aluminium will be impacted by rising Chinese power and alumina costs

China Average Smelter Cash Costs 2010*



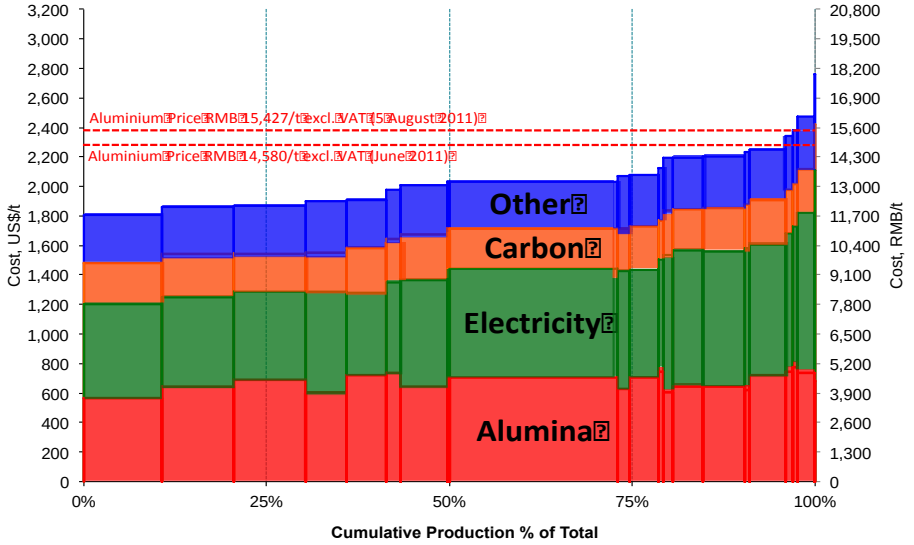
2010
$2,055/tonne

China Average Smelter Cash Costs 2015*



2015
$2,825/tonne
(nominal)

Primary Aluminium Cost Curve 2Q 2011



Source: Clark & Marron

- Rising power and alumina costs will lift costs of marginal producers

Source: CRU Actual & Forecast

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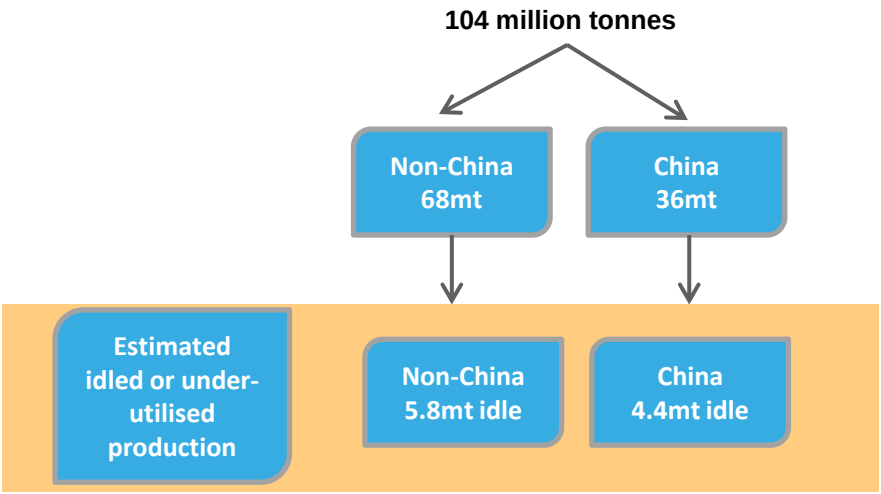
Alumina – a commodity delinking from aluminium pricing

Alumina supply needs to grow

2010 Global Alumina Capacity*



** Source: CRU Estimates (of tonnages)*

- Outside China, capacity utilisation is high and supply is tight
- New smelting capacity continues to be added in China and elsewhere
- Ma'aden's smelter will start up in 2012, adding to tightness
- Recent Chinese alumina capacity additions to be consumed by greater aluminium production, leading to alumina supply/ demand balance through 2012

Project slippage could create pressure

Non-China Alumina Capacity Expansion Projects for 2011-2015*

	2011	2012	2013	2014	2015	2011-2015
India	0.525	3.76	1.40	1.00	1.00	7.68
Australia		3.20				3.20
Guinea				1.00	1.00	2.00
Brazil			0.93	0.93		1.86
Saudi Arabia				1.50	0.30	1.80
Vietnam	0.325	0.65	0.325			1.30
Canada			1.00			1.00
Indonesia				0.30		0.30
TOTAL	**0.85**	**7.61**	**3.66**	**4.73**	**2.30**	**19.14**

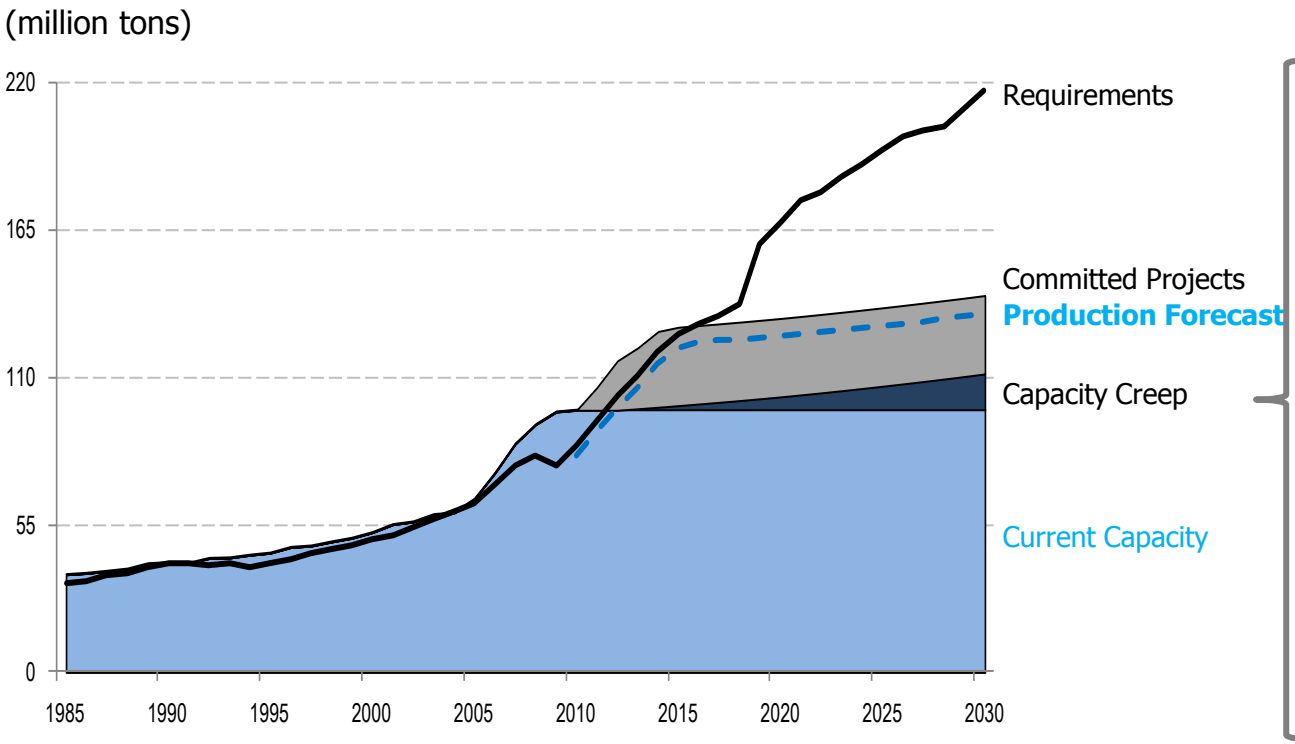
- *The forecast is very sensitive to delays/cancellations in already committed projects, especially in India where there have been delays to projects due to environmental reasons regarding the mining of bauxite.*
- *HARBOR sees some risk of delay in some of the projects in India, Vietnam, Guinea and Indonesia by 1-3 years.*

** Million tonnes hitting the market in each year*

Source: Harbor intelligence

Challenging alumina supply outlook

Metallurgical alumina output capacity requirement to 2030



- *Current planned capacity (with creep) is sufficient for the industry until 2015 – but serious shortfall risk if further delays in new projects, especially India*
- *The dotted line on the graph shows HARBOR's production forecast considering some projects are delayed by 1-3 years and capacity utilization at 95%.*
- *Possible delays would imply 2.3 million tons less of capacity from 2011-2015*
- *Uncommitted new potential projects would require higher alumina prices and at least 2-3 years from commitment*

Source: Harbor intelligence

New capacity needs incentive

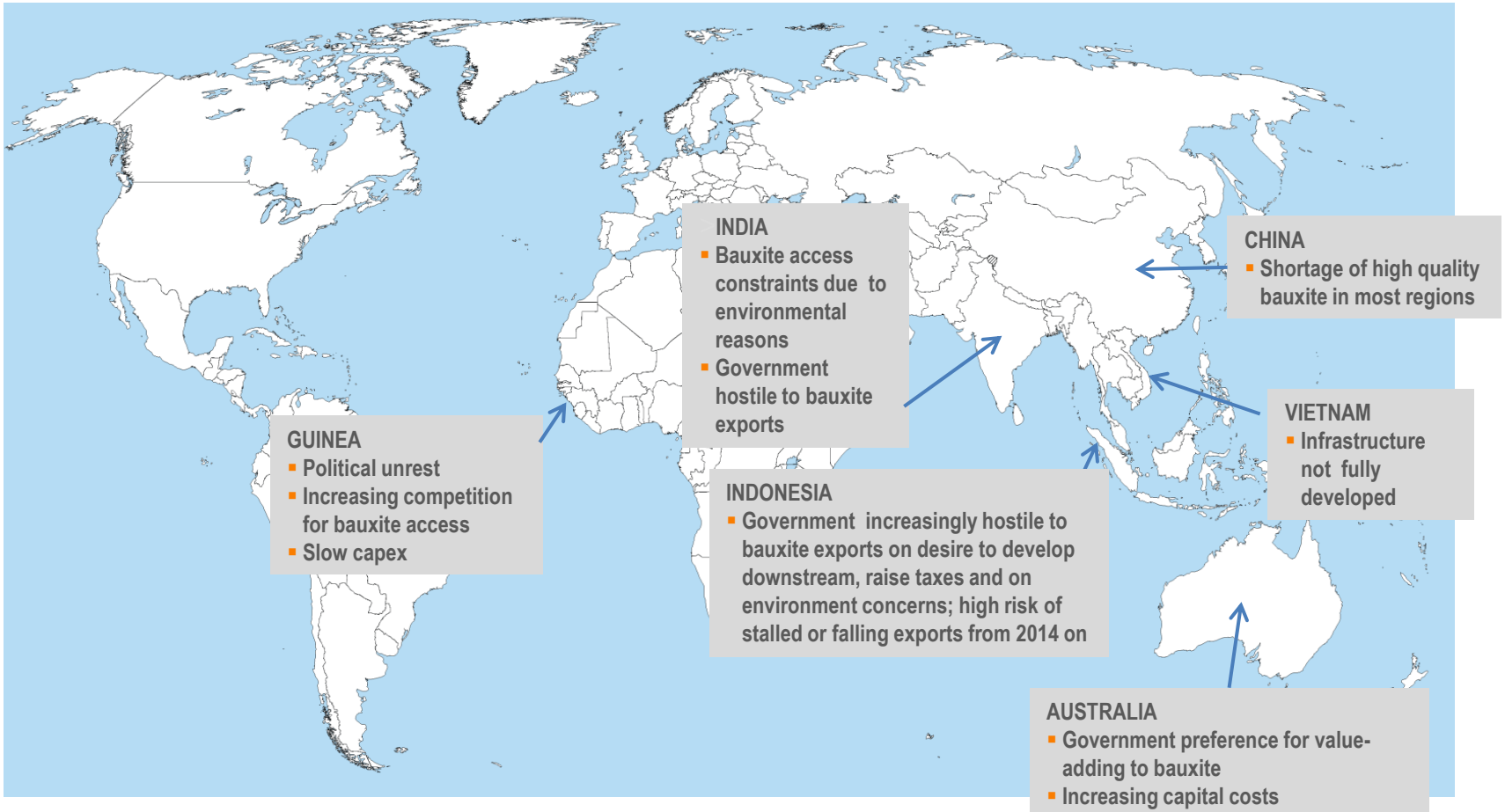
- Rising capital and operating costs
  - capital costs moving beyond $2,000/tonne
- Low industry profitability
  - linked pricing provides little incentive for new capacity
- Move from "linked LME pricing" to spot based indices gathers momentum
  - reflects industry fundamentals
  - will enable incentive pricing to materialise
  - each year more tonnes move from linked to spot or index pricing, increasing liquidity

Bauxite – strong demand makes new supply critical to growth

Bauxite – expensive to access and deliver

- New mine logistics are the key
  - approvals are taking longer and are more demanding
  - increasing national interest requires value adding in country
  - capital costs for transport/ infrastructure rising rapidly
  - higher rehabilitation standards
- China's refinery growth has encouraged traded bauxite market
- Unclear where new mines will be established

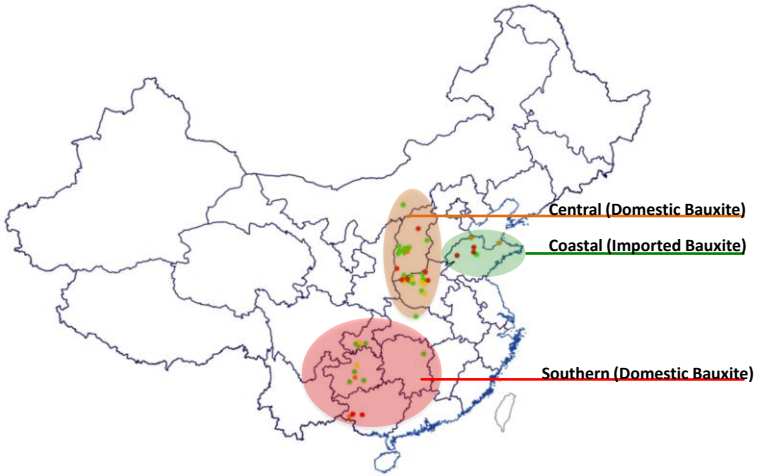
Mines being developed face increasing challenges



Source: HARBOR intelligence & James F King

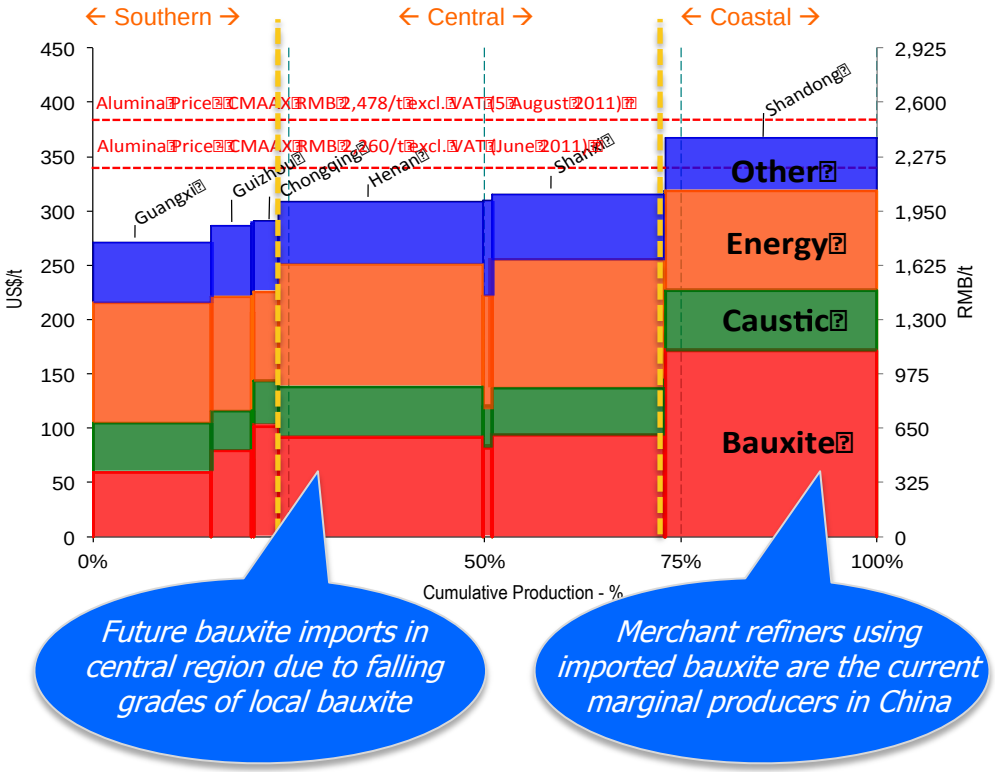
Bauxite makes China the marginal/high cost alumina producer

Chinese Alumina – Production Areas



Source: Clark & Marron

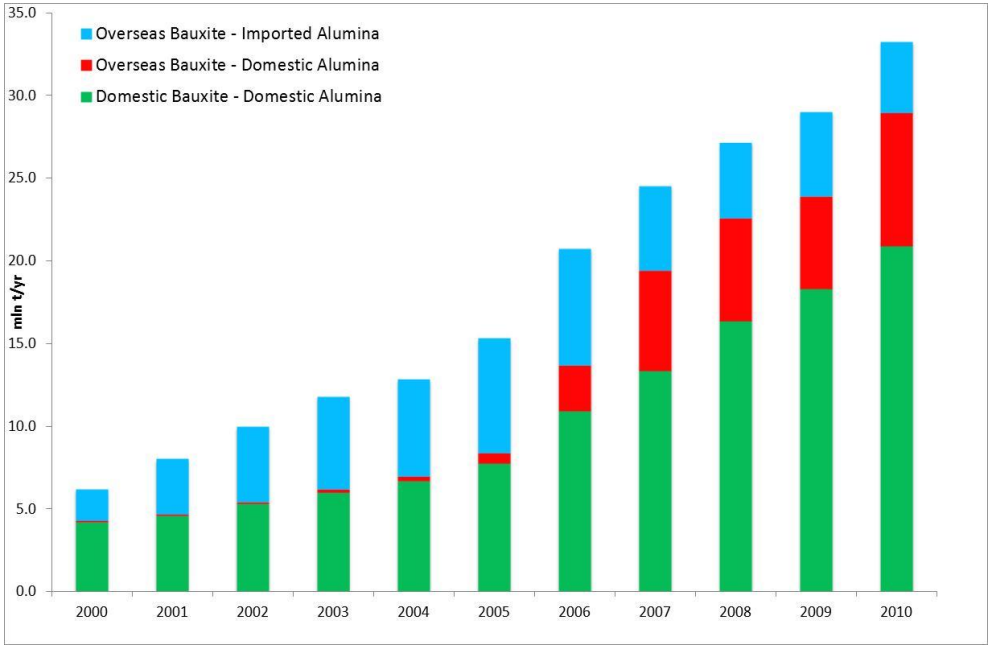
Chinese Alumina Cost Curve 2Q 2011



- China is largely self sufficient in alumina but not bauxite
- China will continue to expand alumina capacity
- Imported and domestic bauxite costs are rising quickly
- Merchant refineries in Shandong who rely on imported bauxite are marginal producers

Cost of bauxite rising for refineries in China

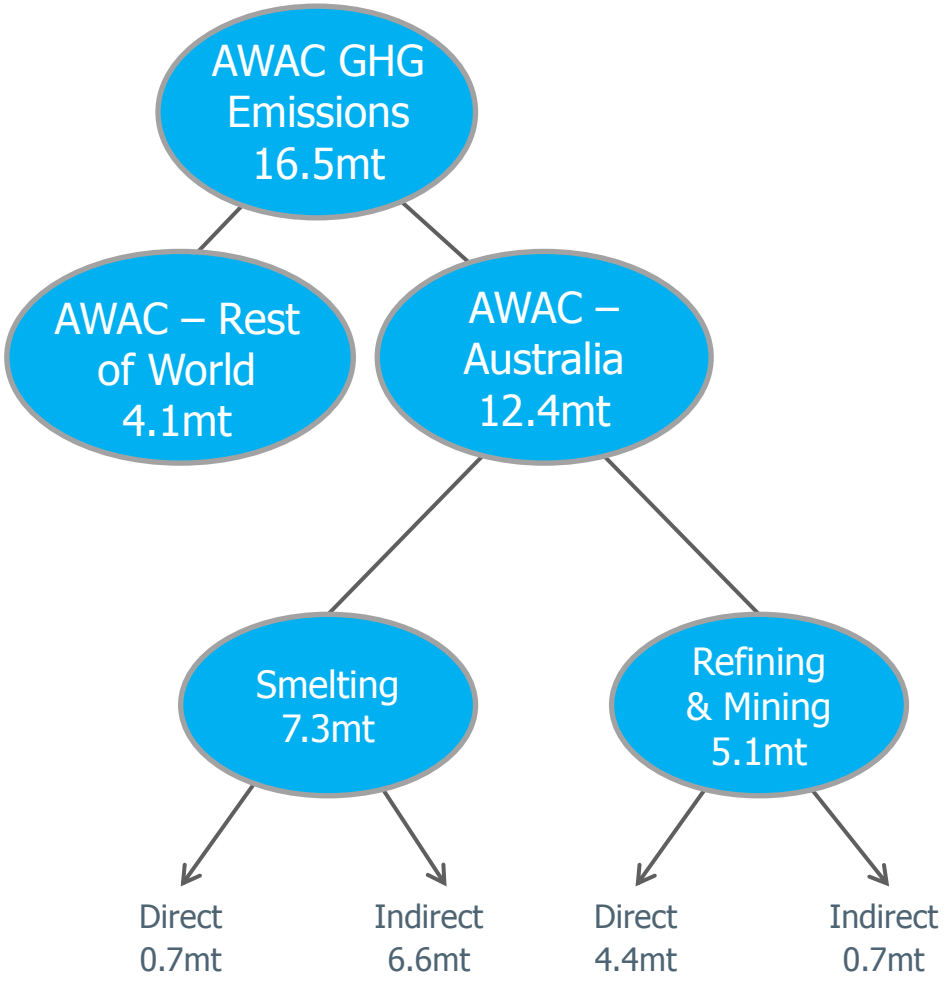
Alumina Deliveries in China



Source: Clark & Marron

- China has imported at least 25% of its bauxite needs – mainly from Indonesia (75%)
  - existing Indonesian bauxite quality dropping/costs increasing
  - Indonesia has announced the end of bauxite trade from 2014
- China has domestic bauxite but it is insufficient for demand
  - falling grades affecting processing
  - internal infrastructure limits long distance transportation

AWAC – globally an efficient producer with low industry GHG* emissions



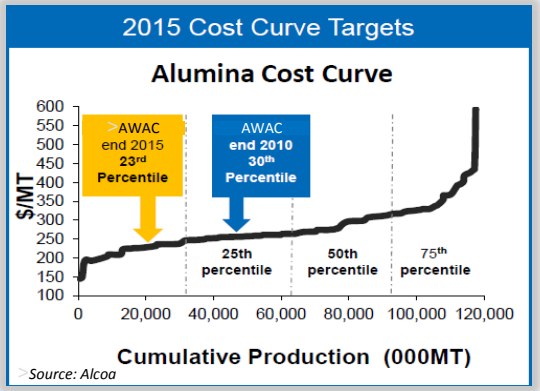
* *Greenhouse gases*

- AWAC smelters have reduced direct GHG emissions by 66% since 1990
- AWAC Australian refineries have reduced direct emissions by 23% since 1990
- Australian Government has announced carbon tax scheme
- Smelters and refineries qualify to receive 94.5% assistance on industry average
- Final scheme impact subject to legislation and regulations

AWAC – well positioned for market changes

- Largest installed capacity for alumina
  - capacity over 17 million tonnes
  - significant options for brownfield and greenfield expansions
- Largest seller of alumina to 3rd party market

- Low cost refiner
  - reflects proximity to bauxite
  - well positioned for pricing mechanism change
  - greater exposure to market price over time



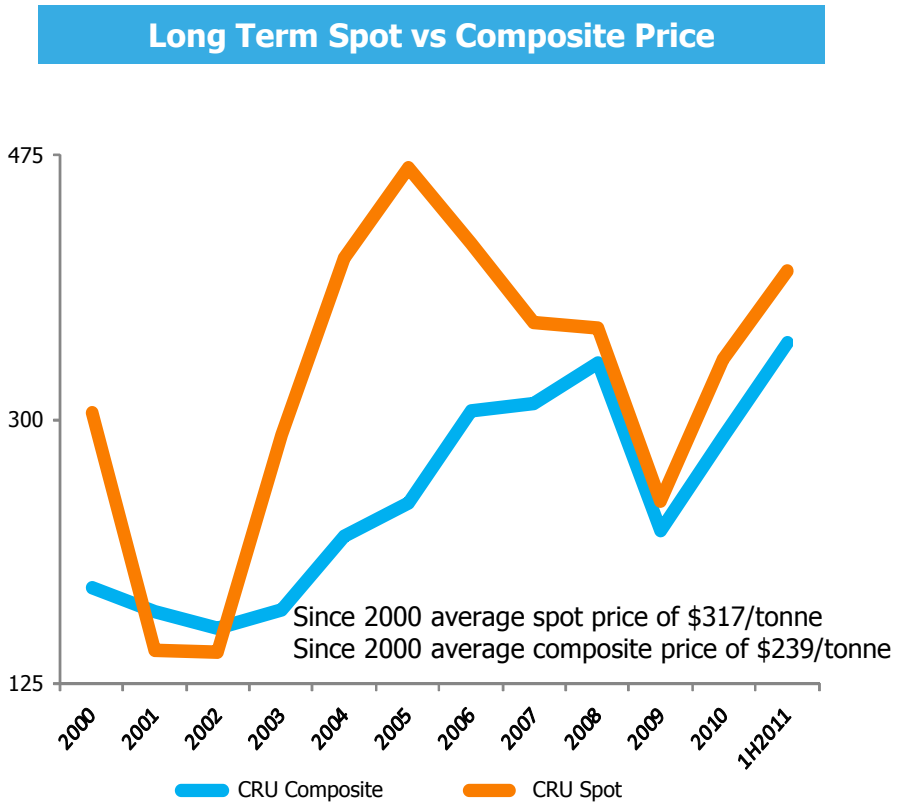
- Largest bauxite miner with extensive leases
  - mines approx 40 million tonnes per annum
  - long life mines and leases

Summary

- Solid improvement in profit driven by:
  - sound demand fundamentals for aluminium
  - move towards de-linked alumina pricing – six months into an approximately 5 year transition
  - solid operational performance
- Improved interim dividend to 3 cents per share
- Markets changing, driving margins upstream
  - Alumina Limited provides pure exposure to this change
- Alumina Limited is in a solid position, with low gearing and improving cash flow

Appendix 1: Recent alumina price movements

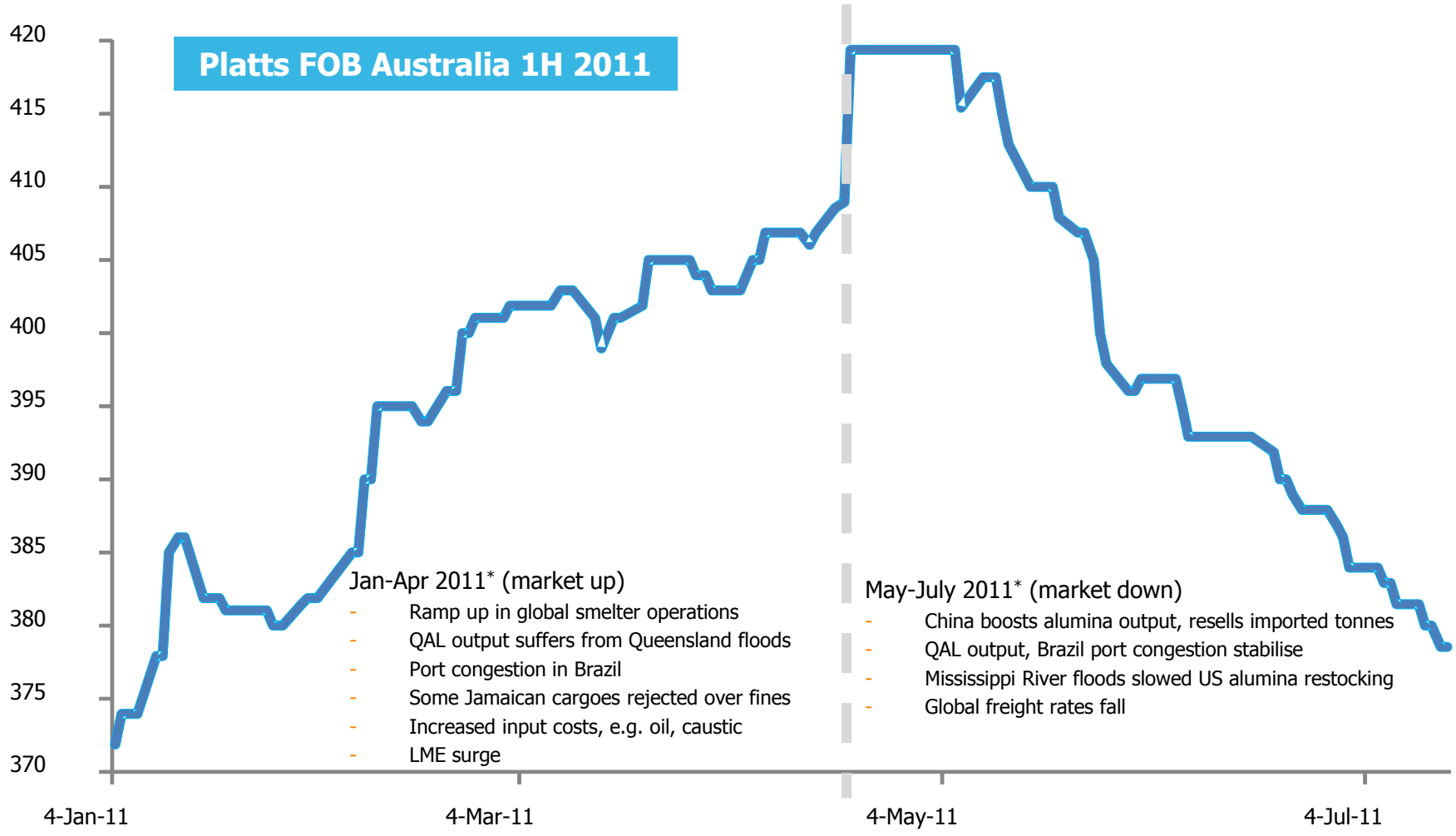
Spot alumina pricing has historically been above linked prices



- In the last 10 years, alumina's spot price has averaged $78 per tonne above LME linked contracts
- In the second half of 2010 AWAC contracted alumina exclusively on prices reflecting spot (by referencing new alumina price indices) for delivery in 2011 and beyond
- New supply projects, at $1,500-2,000 capital costs require higher prices to trigger new investment
- Spot price is below incentive price – need $400 per tonne+

Source: CRU

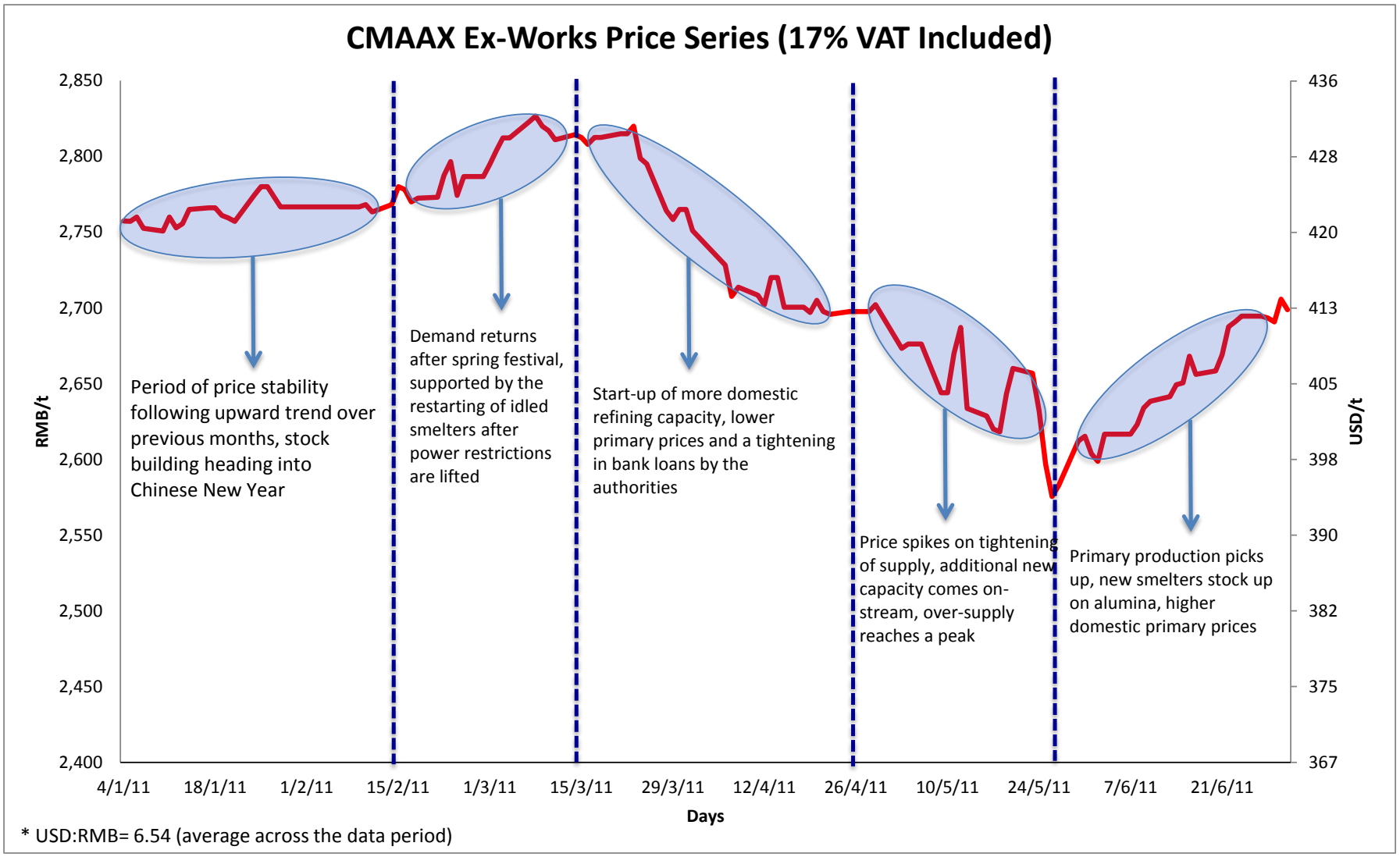
What impacted the non-Chinese market



Pricing has reflected supply/demand fundamentals

* *Source: Platts, July 2011*

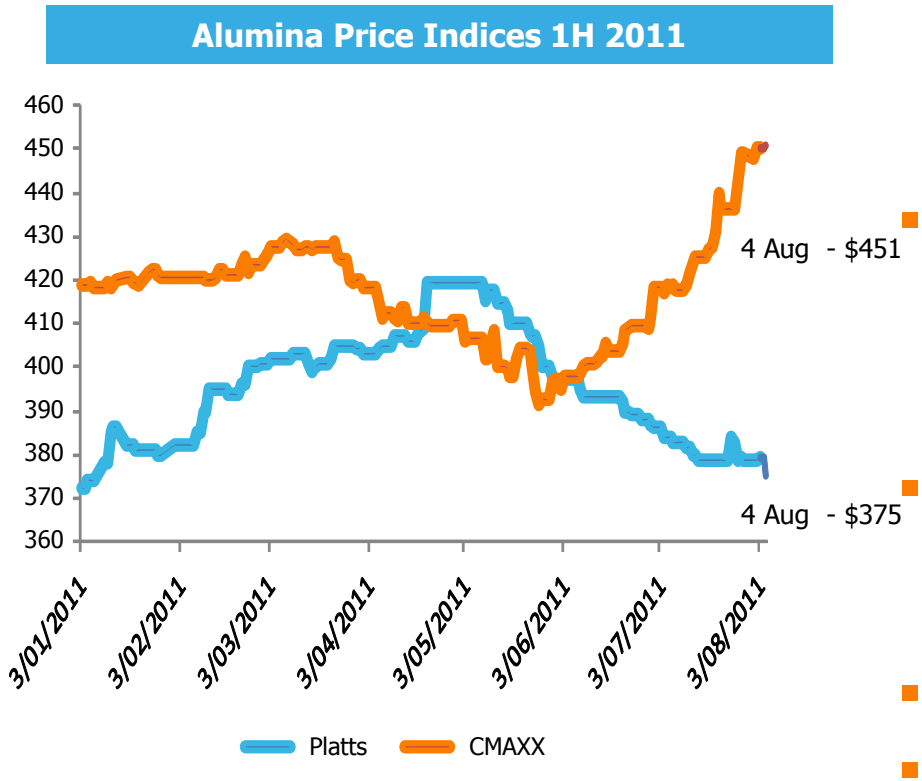
Chinese market fluctuates on alumina market fundamentals



* USD:RMB= 6.54 (average across the data period)

Source: Clark & Marron, CMAAX

Short term pricing constrained by arbitrage



- Price difference between non-China market and rest of world created short term arbitrage opportunity in early 2011
- Chinese smelters have medium term import contracts which have been resold into the rest of world market
- Chinese refineries were not at full capacity in Shandong – awaiting ramp up in smelting
- Arbitrage closed in July
- 4 August prices were
  - Platts ex-WA $375
  - CMAAX at $451 (including VAT)

Source: CMAXX, Platts

Appendix 2: AWAC Guidance

2011 Guidance

- Approximately 20% of 2011 third party alumina expected to be sold based on spot/index prices
- Full year AWAC growth capital expenditure (existing facilities) expected to be up to $120 million
- Full year AWAC sustaining capital expenditure up to $350 million
- Ma'aden investment by AWAC expected to be $125 million in 2011
- Production target for full year 15.8 million tonnes of alumina
- Aluminium production target for full year 360,000 tonnes

2011 Guidance

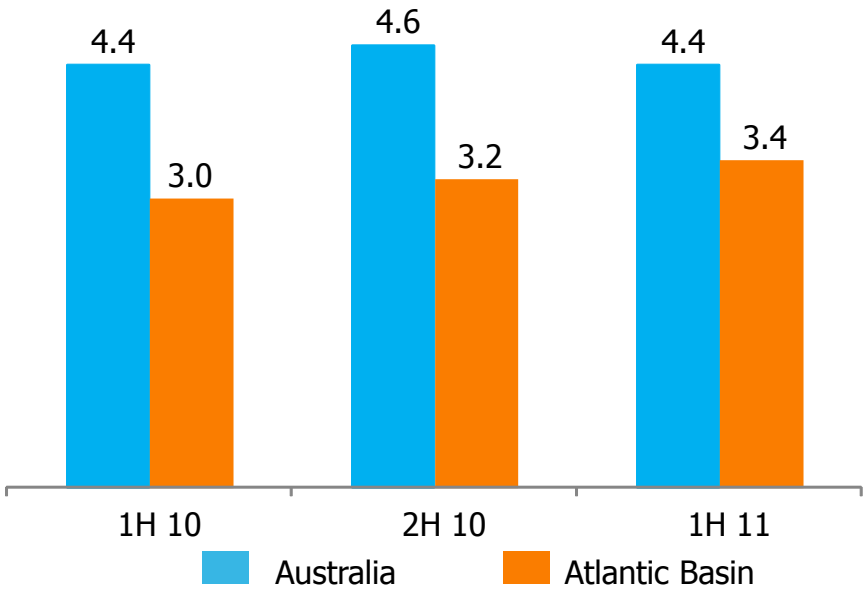
- **LME for aluminium**
  - $100 movement in the LME aluminium price per tonne is expected to impact AWAC profit before tax in 2011 by approximately $180 million
  - Excludes spot or alumina indices-based sales, which account for approximately 20% of third party sales in 2011
- **AUD/USD**
  - 1 cent movement in the AUD/USD exchange rate is expected to impact AWAC profit before tax in 2011 by $24 million
- **Cash costs**
  - AWAC cash costs per tonne of alumina production are expected to increase from 2010, with increases in cost of fuel oil, coke and caustic
  - Significant movements in exchange rates or other inputs will impact costs beyond this guidance

Guidance is indicative only and cannot be expected to be predictive of exact results

Appendix 3: AWAC production assets

Production of alumina steady

- Australian refineries continue to operate near capacity
- Sao Luis expansion production steady
- AWAC nameplate capacity 17.2mtpa



Production		
1H 11	2H 10	1H 10
7.8mtpa	7.8mtpa	7.4mtpa

- Aluminium production 177k tonnes

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AWAC Bauxite Assets[1]

Active Bauxite Mines	Huntly & Willowdale Australia	MRN Brazil	Juruti Brazil	CBG Guinea	Manchester Plateau Jamaica	Suriname Mines
Ownership	AWAC 100%	AWAC 9.6%	AWAC 100%	AWAC 23%	AWAC 55%	AWAC 100%
Expiration/ renewal date of mining rights	2045	2046	Refer Note [2]	2038	2042	2033[3]
Area available to mine/exploration	7,000 square km	39,382 hectares	30,000 hectares	2,360 square km	10,761 hectares	4,286 hectares
Approx average per cent available alumina[4]	33%	49%	47%	51%	41%	45%

Other Bauxite Interests	Cape Bougainville	Mitchell Plateau	Arnhem Land	Juruti	East Trelawny	Suriname Mines	Az Zabirah
Location	Australia	Australia	Australia	Brazil	Jamaica	Suriname	Saudi Arabia (25.1% AWAC)
Area available for exploration	9,000 hectares	186,000 hectares	1,930 square km (exploration lease application)	180,000 hectares	31,400 hectares	19,063 hectares	14,700 hectares

(1) *This page contains general information only in relation to AWAC's bauxite assets. For further details, refer to Alumina Limited's 2010 Form 20-F*
(2) *Mining rights available until exhaustion of deposit*
(3) *Caramacca mine rights expire in 2012*
(4) *The calculation of available alumina grades has not been prepared in accordance with the Australasian Code for reporting of exploration results, mineral resources and ore reserves. The amount of available alumina is based on exploration and analysis of samples performed over a period time*

AWAC Alumina Refineries

Country	Facility	Owners (%) of ownership where not 100% AWAC)[1]	Name Capacity[2] (MTPY)	AWAC Share (MTPY)
Australia	Kwinana Pinjarra Wagerup	AWAC	2.2 4.2 2.6	2.2 4.2 2.6
Brazil	Alumar	Rio Tinto Alcan Inc (10%) Aluminio (15%) BHP Billiton (36%) AWAC (39%)	3.5	1.4
Jamaica	Jamalco	AWAC (55%) Alumina Production Ltd (Government of Jamaica) (45%)	1.5	0.8
Spain	San Ciprian	AWAC	1.5	1.5
Suriname	Suralco	AWAC	2.2	2.2
US	Point Comfort	AWAC	2.3	2.3
Total			**20.0**	**17.2**

(1) All assets owned 100% by AWAC, except for Alumar (AWAC 39%) and Jamalco (AWAC 55%)

(2) Nameplate capacity is an estimate based on design capacity and normal operating efficiencies and does not necessarily represent maximum possible production